TOWN OF PLATTEVILLE, COLORADO

FINANCIAL STATEMENTS
December 31, 2022

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THE ADAMS GROUP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Town of Platteville
Platteville, 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, each major fund, and the aggregate remaining fund information of the Town of Platteville (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, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, budgetary comparison schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2023, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

The Adams Group, LLC

Denver, Colorado
May 22, 2023

Management's Discussion and Analysis

Town of Platteville, Colorado
Management's Discussion and Analysis
December 31, 2022

As management of the Town of Platteville (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows of resources at the close of 2022 by $32,825,482 *(net position*). Of this amount, $6,739,531 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by $3,269,797.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $3,853,021.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works, community development, culture, parks, and recreation, cemetery, and library. The business-type activities of the Town include sewer and water operations.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. During the year the Townsegregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet and only revenues that are available within 60 days are recorded in the Statement of Revenues, Expenditures and Changes in Fund Balance.

The governmental funds statements provide a detailed short-term view of governmental fund operations and the basic services it provides. These statements help you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The differences between governmental activities reported in the statement of net position and the statement of activities and governmental funds are described in the accompanying reconciliations. The basic governmental fund financial statements can be in the following report as listed in the table of contents.

***Proprietary funds*.** The Town maintains one type of proprietary fund, enterprise fund. The Town uses enterprise funds to account for its water and sewer operations.

The proprietary funds are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operating of the Town are included in the statement of net position. The basic proprietary funds financial statements can be in the following report as listed in the table of contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the following report as listed in the table of contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information concerning the Town's combining financial statements for non-major funds, the budget comparison statements for non-major and enterprise funds.

Financial Analysis

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related accumulated depreciation and 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 this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors. Our analysis below focuses on the net position of the Town's governmental and business-type activities.

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Primary Government	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Current and Other Assets	$ 10,532,821	$ 10,292,599	$ 4,691,922	$ 3,829,626	$ 15,224,743	$ 14,122,225
Capital Assets	12,441,396	11,024,840	14,196,926	10,775,437	26,638,322	21,800,277
Total Assets	22,974,217	21,317,439	18,888,848	14,605,063	41,863,065	35,922,502
Deferred Outflows of Resources	430,866	605,880	55,191	175,308	486,057	781,188
Current Liabilities	218,292	952,870	1,373,537	1,540,787	1,591,829	2,493,657
Long Term Liabilities	88,984	814,558	5,491,963	1,910,159	5,580,947	2,724,717
Total Liabilities	307,276	1,767,428	6,865,500	3,450,946	7,172,776	5,218,374
Deferred Inflows of Resources	2,249,058	1,849,337	101,806	80,294	2,350,864	1,929,631
Net Position						
Net investment in capital assets	12,441,396	11,024,840	9,091,453	9,476,484	21,532,849	20,501,324
Restricted	4,542,002	4,916,436	11,100	221,568	4,553,102	5,138,004
Unrestricted	3,865,351	2,365,278	2,874,180	1,551,079	6,739,531	3,916,357
Total Net Position	$ 20,848,749	$ 18,306,554	$ 11,976,733	$ 11,249,131	$ 32,825,482	$ 29,555,685

The restricted portion of net position represents resources that are subject to external restrictions on how they may be used. The unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors.

Condensed Statement of Activities

Statement of Activities	Governmental Activities		Business-type Activities		Primary Government	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Program Expenses	$ 3,812,271	$ 4,005,925	$ 1,676,948	$ 1,332,480	$ 5,489,219	$ 5,338,405
Program Revenues	1,843,371	2,271,699	2,365,059	2,240,036	4,208,430	4,511,735
Net Program Expense (Revenue)	1,968,900	1,734,226	(688,111)	(907,556)	1,280,789	826,670
General Revenues	4,511,095	3,456,831	39,491	1,727	4,550,586	3,458,558
Change in Net Position	2,542,195	1,722,605	727,602	909,283	3,269,797	2,631,888
Net Position, Beginning of Year	18,306,554	16,583,948	11,249,131	10,339,848	29,555,685	26,923,796
Net Position, End of Year	$ 20,848,749	$ 18,306,553	$ 11,976,733	$ 11,249,131	$ 32,825,482	$ 29,555,684

This foregoing information is a summary of the financial information contained in the Town's financial statements. For more about the information contained in this condensed, comparative financial information, we recommend a close review of the accompanying audited financial statements as listed in the table of contents.

Discussion of Financial Position and Operating Activities Net position at the end of December 2022 was $20,848,749 for the governmental activities, $11,976,733 for the business-type activities and $32,825,482 for the primary government. This increase is from revenues that exceeded expenses by $3,269,797 for the primary government. The primary driver of the change was increased grants and tax revenues.

The Town restricted three percent (3%) of its general revenues for emergencies in accordance with TABOR requirements. The Town had a TABOR reserve of $195,431 at December 31, 2022.

The Town's total assets are comprised primarily cash and equivalents, receivables for utility services and tax revenues, investments and long-term capital assets. The Town's total liabilities are comprised primarily of accounts payable relating to ongoing operations, accrued vacation and pension related liabilities.

In 2022, program expense exceeded program revenues by $1,280,789 for the primary government. This was offset by net general revenues of $4,550,586, which resulted in an overall increase in net position. See the accompanying Financial Statements for details of these revenues and expenses.

Fund Discussion

Governmental Funds

The General Fund balance increased from $3,300,571 in 2021 to $4,049,882 in 2022. The primary reason for these changes were due increased revenues and conservative spending. The fund balance includes $195,431 of restricted amounts and $1,430 of Nonspendable. The assets and liabilities are comprised primarily of cash and receivables to be collected in 2022. As of December 31, 2022, the Town's combined fund balance for all governmental funds was $8,983,913. This is an increase of $789,887.

The major funds of the Town consisted of the General fund, Library fund, and the Capital Improvement fund. The primary revenues for these funds were grants, taxes and intergovernmental revenues. In 2022 the General Fund had a net increase in total revenues as many revenue sources increased in 2022 over 2021. The Town continues to strive to find additional revenue sources in order to provide a larger diversity of revenues during economic downturns.

General Fund Budgetary Discussion

Actual revenues for 2022 were $953,713 more than budgeted. Actual expenditures for 2022 were $203,396 less than the final budget primarily because of conservative spending on the part of staff. See the accompanying financial statements for more detail. The general fund budget was not amended in 2022.

Proprietary Fund

The Water Fund net position decreased from $7,615,895 in 2021 to $7,560,263 in 2022. Deferred inflows of resources and deferred outflows of resources fluctuated due to changes in pension and OPEB related amounts. The assets and liabilities are comprised primarily of cash, water accounts receivable and capital assets. Actual revenues for 2022 were $33,161 less than the budgeted amount. Actual expenditures for 2022 were $52,059 less than the budgeted amount. See the accompanying financial statements for more detail. The budget was not amended in 2022.

The Sewer Fund net position increased from $3,633,236 in 2021 to $4,416,470 in 2022. The assets and liabilities are comprised primarily of cash, sewer accounts receivable and capital assets. Actual revenues for 2022 were $1,356,778 more than the budgeted amount. Actual expenditures for 2022 were $117,105 less than the final budgeted amount. See the accompanying financial statements for more detail. The budget was not amended in 2022.

Capital Assets and Long-term Obligations

Capital Assets. At the end of 2022 the Town had $26,638,322 net of depreciation, invested in a broad range of capital assets including major infrastructure such as buildings, roads, bridges, storm water drainage, parks and recreation facilities and water lines and distribution systems. More detailed information on the Town's capital assets is presented in detail in the no financial statements.

Long-term Debt. During the year the Town continued to draw on a loan for the sewer fund from the State Revolving Fund (SRF) to be used for the construction of the wastewater treatment plant. The project was still underway as of December 31, 2022 and the final amount of the debt is unknown at this point.

ECONOMIC FACTORS AND BUDGET OVERVIEW

The annual budget assures the efficient, effective, and economic use of the Town's resources as well as establishing that highest priority objectives are accomplished. Through the budget, the Board of Trustees (the "Board") sets the direction of the Town, allocates its resources, and establishes its priorities. The following commentary discusses many of the factors affecting the budget in 2023 and the next few years.

The Town will focus on improving the Downtown Business Town and is working with Xcel Energy and CDOT to pursue improvements along Main Street. The development of a Platteville Business Association in partnership with the Town has the potential of increasing retail and commercial business opportunities in the community.

The Platteville Energy Park was developed in 2013 and has benefited Platteville by providing a larger property tax base along with several hundred more employees working in the community. As of 2022 all industrial lots in the Platteville Energy Park have been either sold or leased for development.

For many years Platteville has relied on oil & gas exploration and production to provide both revenues and job creation for the community. Approximately 90% of all industrial properties in the community either support or rely on the oil & gas industry a large percentage of the population work in the oil & gas industry. Due to unpredictable economic trends this industry is not considered a reliable source of revenue for the Town and pursuing other revenue sources is vital for long-term sustainability.

Contacting the Town

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, 400 Grand Avenue, Platteville, CO 80651.

Basic Financial Statements

Town of Platteville, Colorado
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents - unrestricted	$ 4,702,918	$ 4,542,698	$ 9,245,616
Cash and cash equivalents - restricted	3,877,731	-	3,877,731
Accounts receivable	971,377	135,264	1,106,641
Due from other governments	499,825	-	499,825
Prepaid expenses	1,430	2,860	4,290
Total Current Assets	10,053,281	4,680,822	14,734,103
Noncurrent Assets			
Net pension asset - FPPA SWDB	365,598	-	365,598
Net pension asset - PERA	113,942	11,100	125,042
Capital assets			
Nondepreciable	2,926,366	4,736,162	7,662,528
Depreciable	14,777,660	12,964,465	27,742,125
Total Capital Assets	17,704,026	17,700,627	35,404,653
Less accumulated depreciation	(5,262,630)	(3,503,701)	(8,766,331)
Net Capital Assets	12,441,396	14,196,926	26,638,322
Total Noncurrent Assets	12,920,936	14,208,026	27,128,962
Total Assets	22,974,217	18,888,848	41,863,065
Deferred Outflows of Resources			
PERA - pension	192,782	18,780	211,562
PERA - OPEB	16,183	1,654	17,837
FPPA - pension	221,901	-	221,901
Decommissioning of sewer lagoon	-	34,757	34,757
Total Deferred Outflows of Resources	430,866	55,191	486,057
Liabilities			
Current Liabilities			
Accounts payable	87,801	515,753	603,554
Other accrued liabilities	52,519	3,476	55,995
Unearned revenue	-	693,726	693,726
Compensated absences	77,972	8,404	86,376
Note payable - current portion	-	152,178	152,178
Total Current Liabilities	218,292	1,373,537	1,591,829
Noncurrent Liabilities			
Net OPEB Liability - PERA	88,984	8,668	97,652
Notes payable	-	4,953,295	4,953,295
Decommissioning of sewer lagoon	-	530,000	530,000
Total Long Term Liabilities	88,984	5,491,963	5,580,947
Total Liabilities	307,276	6,865,500	7,172,776
Deferred Inflows of Resources			
Deferred property taxes	929,048	-	929,048
PERA - pension	1,011,904	98,578	1,110,482
PERA - OPEB	33,136	3,228	36,364
FPPA SWDB	274,970	-	274,970
Total Deferred Inflows of Resources	2,249,058	101,806	2,350,864
Net Position			
Net Investment in capital assets	12,441,396	9,091,453	21,532,849
Restricted for emergencies (TABOR)	195,431	-	195,431
Restricted - other	4,346,571	11,100	4,357,671
Unrestricted	3,865,351	2,874,180	6,739,531
Total Net Position	$ 20,848,749	$ 11,976,733	$ 32,825,482

The accompanying notes are an integral part of these financial statements

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

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities	Net (Expense) Revenue and Change in Net Position: Business-type Activities	Net (Expense) Revenue and Change in Net Position: Total
Primary government							
Governmental activities:							
General government	$ 1,172,116	$ 822,191	$ 23,432	$ -	$ (326,493)	$ -	$ (326,493)
Public safety	803,161	178,839	37,439	-	(586,883)	-	(586,883)
Public works	711,590	70,674	-	-	(640,916)	-	(640,916)
Culture, parks and recreation	1,125,404	-	710,796	-	(414,608)	-	(414,608)
Total Governmental Activities	3,812,271	1,071,704	771,667	-	(1,968,900)	-	(1,968,900)
Business-type activities:							
Sewer operations	687,165	803,480	-	643,471	-	759,786	759,786
Water operations	989,783	918,108	-	-	-	(71,675)	(71,675)
Total Business-Type Activities	1,676,948	1,721,588	-	643,471	-	688,111	688,111
TOTAL PRIMARY GOVERNMENT	$ 5,489,219	$ 2,793,292	$ 771,667	$ 643,471	(1,968,900)	688,111	(1,280,789)
General Revenues							
Property taxes					883,720	-	883,720
Sales and use taxes					2,350,102	-	2,350,102
Other taxes					189,923	-	189,923
Intergovernmental					595,599	-	595,599
Rents and royalties					119,756		119,756
Investment income					157,559	39,491	197,050
Other					175,129	-	175,129
Gain on sale of assets					39,307	-	39,307
Total General Revenues					4,511,095	39,491	4,550,586
Change in Net Position					2,542,195	727,602	3,269,797
Net Position - Beginning					18,306,554	11,249,131	29,555,685
Net Position - Ending					$ 20,848,749	$ 11,976,733	$ 32,825,482

The accompanying notes are an integral part of these financial statements

Fund Financial Statements

Town of Platteville, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

	General	Library	Capital Improvement	Nonmajor Governmental	Total
Assets					
Cash and cash equivalents - unrestricted	$ 3,764,133	$ -	$ 938,785	$ -	$ 4,702,918
Cash and cash equivalents - restricted	-	3,117,668	-	760,063	3,877,731
Receivables	911,586	50,533	6,911	2,347	971,377
Due from other governments	342,109	-	157,716	-	499,825
Prepaid items	1,430	-	-	-	1,430
Total Assets	$ 5,019,258	$ 3,168,201	$ 1,103,412	$ 762,410	$ 10,053,281
Liabilities					
Accounts payable	$ 46,347	$ 4,647	$ 26,103	$ 10,704	$ 87,801
Other accrued liabilities	44,514	7,484	-	521	52,519
Total Liabilities	90,861	12,131	26,103	11,225	140,320
Deferred Inflows of Resources					
Deferred property taxes	878,515	50,533	-	-	929,048
Total Deferred Inflows of Resources	878,515	50,533	-	-	929,048
Fund Balance					
Nonspendable	1,430	-	-	-	1,430
Restricted	195,431	3,105,537	10,309	751,185	4,062,462
Committed	-	-	1,067,000	-	1,067,000
Unassigned	3,853,021	-	-	-	3,853,021
Total Fund Balance	4,049,882	3,105,537	1,077,309	751,185	8,983,913
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 5,019,258	$ 3,168,201	$ 1,103,412	$ 762,410	$ 10,053,281

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

Total fund balances - governmental funds	$ 8,983,913
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	
Capital assets	17,704,026
Accumulated depreciation	(5,262,630)
Compensated absences, long-term assets and liabilities are not current financial resources and, therefore, are not reported in the funds.	
Net pension asset PERA	113,942
Net OPEB liabilities	(88,984)
Net pension asset FPPA	365,598
Deferred outflows - pensions	414,683
Deferred outflows - OPEB	16,183
Deferred inflows - pensions	(1,286,874)
Deferred inflows - OPEB	(33,136)
Compensated absences	(77,972)
Net position of governmental activities	$ 20,848,749

The accompanying notes are an integral part of these financial statements

Town of Platteville, Colorado
Statement of Revenues, Expenditures and Change in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General	Library	Capital Improvement	Nonmajor Governmental	Total
Revenues					
Taxes	$ 2,579,786	$ 47,389	$ 796,570	$ -	$ 3,423,745
Licenses and permits	41,484	-	29,190	-	70,674
Intergovernmental	595,599	673,067	-	37,729	1,306,395
Charges for services	646,817	-	74,721	100,653	822,191
Fines and forfeits	131,485	-	-	47,354	178,839
Rent and royalties	44,667	-	-	75,089	119,756
Investment income	65,704	47,233	37,960	6,662	157,559
Grants	23,432	-	199,212	37,439	260,083
Other	49,946	31,863	-	93,320	175,129
Total Revenues	4,178,920	799,552	1,137,653	398,246	6,514,371
Expenditures					
Current					
General government	1,264,519	-	-	122,093	1,386,612
Public safety	806,583	-	-	70,564	877,147
Public works	561,804	-	28,503	-	590,307
Culture, parks and recreation	281,552	716,219	-	67,354	1,065,125
Capital outlay	544,458	-	1,300,142	-	1,844,600
Total Expenditures	3,458,916	716,219	1,328,645	260,011	5,763,791
Excess (Deficiency) of Revenues Over (Under) Expenditures	720,004	83,333	(190,992)	138,235	750,580
Other Financing Sources and (Uses)					
Proceeds from sale of assets	39,307	-	-	-	39,307
Transfers	(10,000)	-	-	10,000	-
Total Other Financing Sources and (Uses)	29,307	-	-	10,000	39,307
Net Change in Fund Balance	749,311	83,333	(190,992)	148,235	789,887
Fund Balance, Beginning	3,300,571	3,022,204	1,268,301	602,950	8,194,026
Fund Balance, Ending	$ 4,049,882	$ 3,105,537	$ 1,077,309	$ 751,185	$ 8,983,913

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

Net change in Fund Balances - total governmental funds	$ 789,887
Purchases of capital assets are expensed in governmental funds and depreciated on the statement of activities	
Capital outlay	1,844,600
Depreciation	(428,044)
Changes in pension related assets, liabilities, deferred inflows and deferred outflows of resources which do not utilize current resources and are not reported in the governmental funds.	528,881
Revenues received in future years may not be considered a current economic resource and therefore are not included in the governmental funds until the year they are received.	(199,212)
Changes in OPEB related assets, liabilities, deferred inflows and deferred outflows of resources which do not utilize current resources	9,169
Accrued vacation is not considered a current economic resource and therefore is not included in the governmental funds. Change in compensated absences for the year ended:	(3,086)
Change in net position - governmental activities	$ 2,542,195

Town of Platteville, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2022

	Sewer	Water	Total
Assets			
Current Assets			
Cash and cash equivalents - unrestricted	$ 2,701,558	$ 1,841,140	$ 4,542,698
Accounts receivable	73,611	61,653	135,264
Prepaid expenses	1,430	1,430	2,860
Total Current Assets	2,776,599	1,904,223	4,680,822
Noncurrent Assets			
Pension asset - PERA	5,550	5,550	11,100
Capital Assets			
Nondepreciable	98,538	4,637,624	4,736,162
Depreciable	9,589,355	3,375,110	12,964,465
Total Capital Assets	9,687,893	8,012,734	17,700,627
Less accumulated depreciation	(1,591,687)	(1,912,014)	(3,503,701)
Net Capital Assets	8,096,206	6,100,720	14,196,926
Total Noncurrent Assets	8,101,756	6,106,270	14,208,026
Total Assets	10,878,355	8,010,493	18,888,848
Deferred Outflows of Resources			
Pension - PERA	9,390	9,390	18,780
OPEB - PERA	827	827	1,654
Decommissioning of sewer lagoon	34,757	-	34,757
Total Deferred Outlows of Resources	44,974	10,217	55,191
Liabilities			
Current Liabilities			
Accounts payable	463,346	52,407	515,753
Other accrued liabilities	1,738	1,738	3,476
Unearned revenue	346,863	346,863	693,726
Compensated absences	4,202	4,202	8,404
Note payable - current portion	152,178	-	152,178
Total Current Liabilities	968,327	405,210	1,373,537
Long Term Liabilities			
Net OPEB liability - PERA	4,334	4,334	8,668
Notes payable	4,953,295	-	4,953,295
Decommissioning of sewer lagoon	530,000	-	530,000
Total Long Term Liabilities	5,487,629	4,334	5,491,963
Total Liabilities	6,455,956	409,544	6,865,500
Deferred Inflows of Resources			
Pension - PERA	49,289	49,289	98,578
OPEB - PERA	1,614	1,614	3,228
Total Deferred Inflows of Resources	50,903	50,903	101,806
Net Position			
Investment in capital assets	2,990,733	6,100,720	9,091,453
Restricted	5,550	5,550	11,100
Unrestricted	1,420,187	1,453,993	2,874,180
Total Net Position	$ 4,416,470	$ 7,560,263	$ 11,976,733

The accompanying notes are an integral part of these financial statements

Town of Platteville, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Sewer	Water	Total
Operating Revenues			
Charges for services	$ 803,480	$ 918,108	$ 1,721,588
Total Operating Revenues	803,480	918,108	1,721,588
Operating Expenses			
General and Administration	231,826	246,409	478,235
Operations	223,391	633,465	856,856
Amortization expense	104,261	-	104,261
Depreciation expense	115,874	109,909	225,783
Total Operating Expenses	675,352	989,783	1,665,135
Operating Income	128,128	(71,675)	56,453
Nonoperating Revenues			
Interest income	23,448	16,043	39,491
Grant	643,471	-	643,471
Interest	(11,813)	-	(11,813)
Total Nonoperating Revenues	655,106	16,043	671,149
Change in Net Position	783,234	(55,632)	727,602
Net Position, Beginning	3,633,236	7,615,895	11,249,131
Net Position, Ending	$ 4,416,470	$ 7,560,263	$ 11,976,733

The accompanying notes are an integral part of these financial statements

Town of Platteville, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Sewer	Water	Total
Cash Flows From Operating Activities			
Cash received from customers	$ 805,840	$ 916,217	$ 1,722,057
Cash paid to suppliers	(1,132,498)	(767,605)	(1,900,103)
Cash paid to employees	(49,579)	(85,758)	(135,337)
Net Cash Provided (Used) by Operating Activities	(376,237)	62,854	(313,383)
Cash Flows From Non-Capital Financing Activities			
Proceeds from grants	938,015	346,863	1,284,878
Net Cash Provided by Non-Capital financing activities	938,015	346,863	1,284,878
Cash Flows From Capital And Related Financing Activities			
Acquisitions and construction of capital assets	(3,607,272)	(40,000)	(3,647,272)
Proceeds from the issuance of debt	3,806,610	-	3,806,610
Interest paid on long-term debt	(11,813)	-	(11,813)
Repayment of long-term debt	(12,438)	-	(12,438)
Net Cash Provided (Used) in Capital and Related Financing Activities	175,087	(40,000)	135,087
Cash Flows From Investing Activities			
Investment income	23,448	16,043	39,491
Net Cash Provided by Investing Activities	23,448	16,043	39,491
Net Change in Cash	760,313	385,760	1,146,073
Cash and cash equivalents. Beginning	1,941,245	1,455,380	3,396,625
Cash and cash equivalents, ending	$ 2,701,558	$ 1,841,140	$ 4,542,698
Unrestricted Cash and Cash Equivalents	$ 2,701,558	$ 1,841,140	$ 4,542,698
Total Cash and Cash Equivalents	$ 2,701,558	$ 1,841,140	$ 4,542,698
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities			
Net Operating Income	$ 128,128	$ (71,675)	$ 56,453
Adjustments to Reconcile Net Operating Income to Net Cash Provided / (Used) by Operating Activities			
Depreciation and amortization expense	220,135	109,909	330,044
Decrease in pension liabilitiy / asset	(41,198)	(41,198)	(82,396)
Decrease OPEB liabilitiy	(621)	(621)	(1,242)
Increase in deferred inflows - pensions	10,738	10,738	21,476
Increase in deferred inflows - OPEB	18	18	36
Increase in deferred outflows - pensions	7,926	7,926	15,852
Increase in deferred outflows - OPEB	2	2	4
Changes in current assets and liabilities			
Accounts receivable	2,360	(1,891)	469
Prepaid expenses	(68)	(68)	(136)
Accounts payable	(703,603)	49,768	(653,835)
Other accrued liabilities	(54)	(54)	(108)
Net Cash Provided (Used) by Operating Activities	$ (376,237)	$ 62,854	$ (313,383)

The accompanying notes are an integral part of these financial statements

Note 1 Summary of Significant Accounting Policies

Financial Reporting Entity

The Town of Platteville, Colorado (the "Town") was founded in 1876 as a statutory town. The Town's major operations include general government, public safety, public works, library, culture, parks, and recreation.

The Governmental Accounting Standards Board (GASB) is the authoritative body and the Town follows all GASB accounting pronouncements, which provides guidance for determining which governmental activities, organization 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. The Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

Basis of Presentation

The Town's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of information.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial position of the governmental and business-type activities at the end of the year. The statement of activities presents a comparison between program expenses and the program revenue for each program or function of the primary government activities. Program expenses are those that are specifically associated with a service, program or department; and therefore, clearly identifiable to a particular function. Program revenue includes charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenue are presented as general revenue of the Town, with certain limited exceptions. The comparison of program expenses with program revenue identifies the extent to which each function is self-financing or draws from the general revenue of the Town.

Fund Accounting

During the year the Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental fund financial statements is on major funds.

Note 1 Summary of Significant Accounting Policies (Continued)

The accounts of the Town are organized on the basis of funds each of which is considered a separate accounting entity. In the fund financial statements, the Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial activities except those required to be accounted for in another fund.

Library Fund – The Library Fund is a special revenue fund and accounts for the collection and disbursement of funds related to the library system.

Capital Improvement Fund – The Capital Improvement Fund is a special revenue fund and accounts for the collection and disbursement of 1% sales tax to be used to fund improvements within the Town.

Enterprise Funds are used to account for operations that are financed in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public be recovered primarily through user charges. The Town reports the following major enterprise funds:

Sewer Fund – The Sewer Fund accounts for the costs related to providing sewer services to the Town.

Water Fund – The Water Fund accounts for the costs related to providing water services to the Town.

Measurement Focus and Basis of Accounting

Government-wide Financial Statements
The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Town are included in the statement of net position.

Fund Financial Statements
All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet and only revenues that are available within 60 days are recorded in the Statement of Revenues, Expenditures and Change in Fund Balances.

The Statement of Revenues, Expenditures, and Change in Fund Balances reports on the sources (revenue and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Proprietary funds, which include enterprise funds, are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recorded when incurred. Depreciation is computed and recorded as an operating expense. Expenditures for capital outlay are recognized as increases in capital assets.

Note 1 Summary of Significant Accounting Policies (Continued)

Revenue

Revenue resulting from exchange transactions, in which each party gives and receives essentially the same value, is recorded on the accrual basis, when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are both measurable and available to finance expenditures of the fiscal period, which is typically within sixty days of realization.

Non-exchange transactions, in which the Town receives value without directly giving value in return, include sales taxes, grants, entitlements and donations. Revenue from sales tax is recognized in the fiscal year for which the taxes are collected by the vendor. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Program revenues consist of revenues that are associated with the governmental services such as licenses, permits and water sales.

Expenses/Expenditures

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

Property Taxes

Property taxes attach an enforceable lien on property as of January 1st. Taxes are levied on January 1st and are payable either in one installment on or before April 30th, or in two installments due on or before February 28th and June 15th of each year. The collections and assessments are done by Weld County and are remitted to the Town monthly. Property taxes, which are due to be paid in the next period and representing an enforceable lien at January 1st of the next year, have been recorded as a receivable and a deferred inflow of resources in the year in which they are levied. Property tax revenues are recognized when they are collected by Weld County.

Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources

Cash and cash equivalents - 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, 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 on each fund's average equity balance in total cash. The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with maturities of 90 days or less at the date of their acquisition.

Investments – investments are recorded at net asset value.

Receivables – all receivables are reported at their book value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital assets - are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of more than one year and exceed $5,000:

Note 1 Summary of Significant Accounting Policies (Continued)

	Governmental Activities Estimated Lives	Business-type Activities Estimated Lives
Land and water rights	N/A	N/A
Museum Collection	N/A	N/A
Buildings	20-50 years	N/A
Improvements other than buildings	10-50 years	N/A
Equipment	5-10 years	5-10 years
Utility systems	N/A	25-50 years
Infrastructure	35 years	N/A

Capital assets are recorded at acquisition cost except for those assets which have been contributed, which are stated at estimated acquisition cost at the date of contribution or at developer's cost. Depreciation is computed using the straight-line method over the asset's estimated economic useful life. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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 capitalized assets since 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.

Impairment of Capital Assets

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries,* ("GASB No 42"), establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Town is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Management of the Town has determined that there are no indications of impairment of capital assets as of December 31, 2022.

Long-Term Obligations

In the government-wide financial statements and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or enterprise fund type statement of net position. Bond issuance costs are expensed during the current period. Bond premiums and discounts are amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances and discounts are reported as other financing sources. The issuance costs related to the debt is reported as an expenditure in the current period.

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds.

Note 1 Summary of Significant Accounting Policies (Continued)

Compensated absences – The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences.* Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the Town will compensate the employees for the benefits earned. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation, holiday and compensatory time at their current rate of pay, there is no payment for sick leave upon termination. Amounts of vested or accumulated vacation and holiday pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements and in the proprietary fund statements.

Deferred outflows of resources- In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future reporting period. The Town has three items that qualify as a deferred outflow of resources. A deferred outflow of resources related to GASB Statement No. 68, 75 and 83 has been recorded as of December 31, 2022. See note 6 and note 9 for further information on these items.

Deferred inflow of resources- In addition to liabilities, the statement of net position will sometimes report separate sections for deferred inflows of resources. A deferred inflow of resources is an acquisition of net position by the Town that is applicable to a future reporting period. The Town has three items that qualify for reporting as deferred inflows of resources. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected. A deferred inflow related to GASB Statement No. 68 and 75 has been recorded as of December 31, 2022. See note 6 for further information on these items.

Net Position

Equity is classified as net position and displayed in three components:

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

Restricted net position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Town utilizes restricted net position before utilizing unrestricted net position when an expense is incurred for both purposes.

Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.” The net position is available for future operations or distributions.

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Balance

Nonspendable - consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The nonspendable fund balance was $1,430 at December 31, 2022 relating to prepaid items.

Restricted - General Fund - Article X, Section 20 of the Constitution of the State of Colorado (TABOR) requires the Town to establish Emergency reserves (see Note 7). A reservation of $195,431 of the General Fund balance has been made in compliance with this requirement. Additionally, the Town has $761,494 restricted for maintenance, training, and capital projects within the town, and $3,105,537 for libraries.

Committed- Committed fund balance includes those items which can be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. Those committed amounts cannot be used for any other purpose unless the Board of Trustees formally removes or changes the specified uses. The Town had a committed fund balance of $1,067,000 as of December 31, 2022 for capital improvements and parks.

Assigned – Includes all amounts that are constrained by the Town's intent to be used for a specific purpose but are neither committed nor restricted. The assignment of these balances must occur through a formal action of the Board of Trustee's. As of December 31, 2022, the assigned fund balance was $0.

Unassigned- consists of the residual classification for each fund. This represents amounts that have not been assigned to other funds and that has not been restricted, committed, or assigned for specific purposes.

The Town has not adopted fund balance policies; therefore, the Town follows the guidance in accordance with GASB 54 and apply resources in the following order: restricted, committed, assigned and unassigned.

Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year-end outstanding balances are reported as due to / due from other funds. All interfund transfers are reported as transfers. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

Budgets and Budgetary Accounting

Budgets are adopted on a cash basis except for accrual of current vendor invoices and utility billings. Annual appropriated budgets are adopted for the fund. All annual appropriations lapse at fiscal year-end.

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

Note 1 Summary of Significant Accounting Policies (Continued)

- Budgets are required by state law for all funds. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.
- Prior to December 31, the budget is adopted by formal resolution.
- Budgets are required to be filed with the State of Colorado within thirty days after the beginning of the fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The Town Board must approve revisions that alter the total expenditures of any fund.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Town Board or revised by the Town Board.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Cash and Investments

Cash Deposits

The Town maintains a cash pool that is available for use by all funds. Each fund's portion of the pool is displayed on the combined balance sheet as "Cash and Cash equivalents". As of December 31, 2022, the Town's cash deposits had a carrying balance of $852,222 with a corresponding bank balance of $1,080,396 of which $414,917 is federally insured.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under 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 uninsured deposits. The Town had $665,479 collateralized under PDPA.

The Colorado Divisions of Banking 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.

A summary of cash and cash equivalents at December 31, 2022 is as follows:

Cash deposits	$	852,222
Cash with County Treasurer		11,237
COLOTRUST		12,259,888
Total cash and cash equivalents	$	13,123,347

Note 2 Cash and Investments (Continued)

The above amounts are classified in the statements of net position as follows:

Unrestricted Cash and Cash Equivalents		
Governmental activities	$	4,702,918
Business-type activities		4,542,698
Restricted Cash and Cash Equivalents		
Governmental activities		3,877,731
Total	$	13,123,347

Restricted cash consists of cash received for future investment in infrastructure and the library.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2022, none of the Town's bank deposits were exposed to custodial credit risk.

Investments

Colorado statutes specify in which investment instruments the units of local government may invest:

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

The Town's investment policy is to hold investments until maturity and mirrors State statute. At December 31, 2022 Town had $12,259,888 invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAm by Standard & Poor's and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Note 2 Cash and Investments (Continued)

COLOTRUST EDGE - The Trust operates similarly to a money market fund and each share is equal in value to $10.00. The portfolio may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAf by Fitch Ratings and is measured at net asset value (NAV). There are no unfunded commitments, the redemption frequency is daily plus one business day and there is no redemption notice period.

Note 3 Receivables

Receivables	Governmental Activities	Business - type Activities	Total
Property taxes receivable	$ 929,048	$ -	$ 929,048
Trade accounts receivable	31,364	135,264	166,628
Due from other governments	499,825	-	499,825
Other	10,965	-	10,965
Total	$ 1,471,202	$ 135,264	$ 1,606,466

Note 4 Capital Assets

A summary of changes to capital assets for 2022 is as follows

Governmental Activities	Balance at 12/31/2021	Additions	Disposals	Balance at 12/31/2022
Nondepreciable Capital Assets				
Land	$ 622,818	$ -	$ -	$ 622,818
Water rights	387,126	197,535	-	584,661
Museum collection	264,000	-	-	264,000
Construction in progress	1,364,528	176,927	(86,568)	1,454,887
Total Non-Depreciable Capital Assets	1,200,684	374,462	(86,568)	2,926,366
Depreciable Capital Assets				
Buildings	5,535,468	292,242	-	5,827,710
Improvements other than buildings	1,418,314	-	-	1,418,314
Equipment	1,220,677	28,556	-	1,249,233
Infrastructure	5,046,495	1,235,908	-	6,282,403
Total Depreciable Capital Assets	12,707,344	1,556,706	-	14,777,660
Less Accumulated Depreciation				
Buildings	(1,427,876)	(133,674)	-	(1,561,550)
Improvements other than buildings	(683,378)	(65,716)	-	(749,094)
Equipment	(957,772)	(77,929)	-	(1,035,701)
Infrastructure	(1,765,560)	(150,725)	-	(1,916,285)
Total Accumulated Depreciation	(4,444,804)	(428,044)	-	(5,262,630)
Net Capital Assets	$ 9,463,224	$ 1,503,124	$ (86,568)	$ 12,441,396

Depreciation Expense by Function	
General Government	$ 33,025
Public Safety	18,202
Public Works	181,963
Culture, Parks and Recreation	194,854
Total Depreciation Expense	$ 428,044

Note 4 Capital Assets (Continued)

Business-Type Activities	Balance at 12/31/2021	Additions	Disposals	Balance at 12/31/2022
Nondepreciable Capital Assets				
Land and water rights	$ 4,253,662	$ -	$ -	$ 4,253,662
System enhancement fee	432,500	-	-	432,500
Construction in progress	3,853,562	3,600,857	(7,404,419)	50,000
Total Non-Depreciable Capital Assets	8,539,724	3,600,857	(7,404,419)	4,736,162
Depreciable Capital Assets				
Utility systems	4,939,230	7,404,419	-	12,343,649
Equipment	574,401	46,415	-	620,816
Total Depreciable Capital Assets	5,513,631	7,450,834	-	12,964,465
Less Accumulated Depreciation				
Utility systems	(2,767,830)	(203,568)	-	(2,971,398)
Equipment	(510,088)	(22,215)	-	(532,303)
Total Accumulated Depreciation	(3,277,918)	(225,783)	-	(3,503,701)
Net Capital Assets	$ 10,775,437	$10,825,908	$ (7,404,419)	$ 14,196,926

Note 5 Long-Term Debt

On May 28, 2021 the Town entered into a loan agreement with the Colorado Water Resources and Power Development Authority through the State Revolving Fund program. The note has a maximum draw amount of $6,300,000, carries an interest rate of 2.25% and is payable over 30 years. The Town has the right to draw on the loan in order to fund the construction of the wastewater treatment plant. At the conclusion of the construction project any un-used proceeds will not be drawn and the loan will be re-amortized. At December 31, 2022 the balance of the loan was $5,105,473. The note is subject to certain covenants related to rates and reserve requirements, all of which the Town was in compliance with at December 31, 2022. The Town has pledged all gross revenue less operation and maintenance expenses (net revenue) as collateral for the loan. Due to the terms of the note future minimum payments cannot be calculated, and a schedule will be provided once it can be determined. As of December 31, 2022, the Town incurred and submitted for reimbursement $259,349 of costs under the loan program which were not received as of December 31, 2022 and therefore, will be reported as additions in fiscal year 2023

	Balance 12/31/2021	Additions	Reductions	Balance 12/31/2022	Due Within One Year
2021 CWRPDA loan	$ 1,311,301	$ 3,806,610	$ (12,438)	$ 5,105,473	$ 152,178
Total Long-term Debt	$ 1,311,301	$ 3,806,610	$ (12,438)	$ 5,105,473	$ 152,178

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits

Summary of Significant Accounting Policies

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

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

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

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

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

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of December 31, 2022 Eligible employees of, The Town and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of April 1, 2021 through December 31, 2022 are summarized in the table below:

	January 1,2021 Through June 30, 2021	July 1,2021 Through December 31, 2021	January 1,2022 Through June 30, 2022	July 1,2022 Through December 31, 2022
Employee contribution (all employees other than State Troopers)	8.50%	8.50%	8.50%	9.00%

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

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

	January 1, 2021 Through June 30, 2021	July 1,2021 Through December 31, 2021	January 1,2022 Through June 30, 2022	July 1,2022 Through December 31, 2022
Employer contribution rate	10.50%	10.50%	10.50%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)	(1.02%)	(1.02%)	(1.02%)
Amount apportioned to the LGDTF	9.48%	9.48%	9.48%	9.98%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	0.02%	0.02%	0.03%	0.03%
Total employer contribution rate to the LGDTF	**13.20%**	**13.20%**	**13.21%**	**13.71%**

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

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and The Town is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the Town were $156,652 for the year ended December 31, 2022.

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

At December 31, 2022, the Town reported an asset of $125,042 for its proportionate share of the net pension liability. The net pension liability for the LGDTF was measured as of December 31, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The Town proportion of the net pension liability was based on the Town contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers.

At December 31 2021, the Town's proportion was .1458437038%, which was a decrease of .0050705132% from its proportion measured as of December 31, 2020. For the year ended December 31, 2022, The Town recognized pension income of $436,000. At December 31,

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

2022 The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$6,111	$2,088
Changes of assumptions or other inputs	42,387	0
Net difference between projected and actual earnings on pension plan investments	0	1,081,638
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,412	26,756
Contributions subsequent to the measurement date	156,652	*N/A*
Total	$211,562	$1,110,482

$156,652 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	
2023	$(251,820)
2024	(416,455)
2025	(260,976)
2026	(126,321)
2027	0
Thereafter	$0

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

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

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

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

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

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

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

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

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

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

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

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

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

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

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

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

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

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

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

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

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

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.

- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension Liability (asset)	**$857,361**	**$(125,042)**	**$(946,779)**

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

Summary of Significant Accounting Policies

OPEB. The Town participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)
net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

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

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

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

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

PERA Benefit Structure
The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and The Town is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from The Town were $11,812 for the year ended December 31, 2022.

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

At December 31, 2022, The Town reported a liability of $97,652 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The Town proportion of the net OPEB liability was based on The Town contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, The Town's proportion was .0113245621%, which was a decrease of .0001787443 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, The Town recognized OPEB income of $8,848. At December 31, 2022, The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$149	$23,155
Changes of assumptions or other inputs	2,022	5,297
Net difference between projected and actual earnings on OPEB plan investments	0	6,045
Changes in proportion and differences between contributions recognized and proportionate share of contributions	3,854	1,867
Contributions subsequent to the measurement date	11,812	N/A
Total	$17,837	$36,364

$11,812 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31, 2022:	
2023	($7,318)
2024	(8,246)
2025	(8,906)
2026	(4,468)
2027	(1,216)
Thereafter	(185)

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

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

	Local Government Division	
Actuarial cost method	Entry age	
Price inflation	2.30%	
Real wage growth	0.70%	
Wage inflation	3.00%	
Salary increases, including wage inflation		
Members other than State Troopers		3.20%-11.30%
State Troopers		3.20%-12.40%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%	
Discount rate	7.25%	
Health care cost trend rates		
PERA benefit structure:		
Service-based premium subsidy	0.00%	
PERACare Medicare plans	4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029	
Medicare Part A premiums	3.75% in 2021, gradually increasing to 4.50% in 2029	

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

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

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

	Initial Costs for Members without Medicare Part A		
Medicare Plan	**Monthly Cost**	**Monthly Premium**	**Monthly Cost Adjusted to Age 65**
Medicare Advantage/Self-Insured Rx	$633	$230	$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is $471 (actual dollars) per month. All costs are subject to the health care cost trend rates, as discussed below.

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

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

Effective December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

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

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

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

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

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

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

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

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

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$94,848	$97,652	$100,901

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$113,413	$97,652	$84,190

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

Statewide Defined Benefit Pension Plan

The Town contributes to the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association (FPPA). The Statewide Defined Benefit Plan (SWDB) provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a noncontributory plan. All full-time, paid police officers of the Town are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org.

Description of Benefits

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

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

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

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

Contributions

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Members of the SWDB plan and their employers contributing at the rate of 11.5 percent and 8.5 percent, respectively, of base salary for a total contribution rate of 20 percent in 2021. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2016. Member contribution rates will increase 0.5 percent annually through 2023 to a total of 12 percent of base salary. Employer contributions will increase .5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. Contributions to the SWDB plan from the Town were $50,960 for the year ended December 31, 2022.

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

At December 31, 2022, the Town reported an asset of $(365,598) for its proportionate share of the net pension liability (asset). The net pension liability was measured as of December 31, 2021, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability (asset) was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2021, the Town's proportion was .0674617741 percent, which was an increase of .0026062854 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the Town recognized pension income of $93,202. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 104,690	$ 8,527
Changes in assumptions	52,137	0
Net difference between actual and projected earnings on pension plan investments	0	244,679
Net impact in change in proportionate share	14,114	21,764
Contributions subsequent to the measurement date	50,960	N/A
Total	$ 221,901	$ 274,970

$50,960 in total reported as deferred outflows of resources related to pension resulting from Town's contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

Year Ended		Pension Expense
	2022	$ (34,141)
	2023	(59,450)
	2024	(33,856)
	2025	(10,300)
	2026	20,883
Thereafter		12,835
Total		$ (104,029)

Actuarial Assumptions
The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Total Pension Liability	Actuarial Determined Contribuitions
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Acruarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return, net*	7.0%	7.0%
Projected Salary Increases *	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments	0%	0%
*Includes inflation at	2.50%	2.50%

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

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

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

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

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

Discount Rate

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

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50 percent, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

Note 6 Defined Benefit Pension Plan and Other Post Employment Benefits (Continued)

Discount Rate:	6.00%	7.00%	8.00%
Proportionate share of the net pension liability (asset)	$ (50,418)	$(365,598)	$(626,707)

Pension Plan Fiduciary Net Position
Detailed information about the SWDB's fiduciary net position is available in FPPA's comprehensive annual financial report, which can be obtained at http://www.fppaco.org.

Note 7 Tax, Spending, and Debt Limitation

Article X, Section 20 of the Colorado Constitution, The Taxpayer's Bill of Rights (TABOR), contains several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. TABOR is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of TABOR.

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, which 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. This Town had an emergency reserve of $195,431 at December 31, 2022.

Note 8 Risk Management

Risk Management Insurance Pool
The Town is a member of the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") and Colorado Intergovernmental Risk Sharing Agency Worker's Compensation ("CIRSA/WC"). CIRSA and CIRSA/WC have a legal obligation for claims against their members to the extent that funds are available in their annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA and CIRSA/WC have indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the years such excess occurs, although they are not legally required to do so. Additionally, the Town may receive credit on future contributions in the event of a surplus.

The ultimate liability to the Town resulting from claims not covered by CIRSA and CIRSA/WC is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the Town's financial statements. No settlements exceeded insurance coverage for each of the past three fiscal years.

Note 9 Certain Asset Retirement Obligations

During the year ended December 31, 2020 the Town implemented GASB Statement No. 83 *Certain Asset Retirement Obligations.* This statement requires the Town to record a liability and a deferred outflow of resources to account for the decommissioning of certain assets.

On March 30, 2019 the Colorado Department of Health and Environment (CDPHE) issued the town a new wastewater discharge permit with an updated compliance schedule for discharge limits to be effective May 1, 2022. The current sewer lagoon technology will be unable to meet these discharge limits. The Town is pursuing technology in order to be in compliance with the future compliance schedule, which will include decommissioning the sewer lagoon.

The town has estimated it will cost $530,000 to decommission the sewer lagoon based on estimated costs provided by a third-party engineer. As a result of the CDPHE's updated discharge requirements the town has determined that the decommissioning of the sewer lagoon is subject to the provisions of GASB Statement No. 83, and has recorded a liability, and deferred outflow of resources in the amount of $530,000 in the sewer fund. The deferred outflow of resources was $34,757 at December 31, 2022. The town is amortizing this deferred outflow of resource using a straight-line approach over the estimated remaining useful life of 61 months from the date of the CDPHE notice. For the year ended December 31, 2022 the town recognized an expense related to this amortization of $104,261.

Required Supplementary Information

Town of Platteville, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	$ 1,981,529	$ 2,579,786	$ 598,257
Licenses and permits	89,000	41,484	(47,516)
Intergovernmental	534,828	595,599	60,771
Charges for services	494,057	646,817	152,760
Fines and forfeits	93,750	131,485	37,735
Rent and royalties	25,000	44,667	19,667
Investment income	5,000	65,704	60,704
Grants	5,000	23,432	18,432
Proceeds from sales of assets	-	39,307	39,307
Other	36,350	49,946	13,596
Total Revenues	3,264,514	4,218,227	953,713
Expenditures and Transfers Out			
Current			
General government	766,755	1,264,519	(497,764)
Public safety	1,075,806	806,583	269,223
Public works	1,212,710	561,804	650,906
Culture, parks and recreation	311,541	281,552	29,989
Transfers	-	10,000	(10,000)
Capital outlay	305,500	544,458	(238,958)
Total Expenditures and Transfers Out	3,672,312	3,468,916	203,396
Net Change in Fund Balance	$ (407,798)	749,311	$ 1,157,109
Fund Balance, Beginning		3,300,571	
Fund Balance, Ending		$ 4,049,882	

Town of Platteville, Colorado
Budgetary Comparison Schedule
Library Fund
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	$ 47,896	$ 47,389	$ (507)
Intergovernmental	677,333	673,067	(4,266)
Investment income	1,520	47,233	45,713
Other	10,000	31,863	21,863
Total Revenues	736,749	799,552	62,803
Expenditures			
Culture, parks and recreation	735,813	716,219	19,594
Total Expenditures	735,813	716,219	19,594
Net Change in Fund Balance	$ 936	83,333	$ 82,397
Fund Balance, Beginning		3,022,204	
Fund Balance, Ending		$ 3,105,537	

See the accompanying Independent Auditor's report

Town of Platteville, Colorado
Budgetary Comparison Schedule
Capital Improvement Fund
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	$ 530,000	$ 796,570	$ 266,570
Licenses and permits	8,595	29,190	20,595
Charges for services	80,000	74,721	(5,279)
Investment income	2,750	37,960	35,210
Grants	-	199,212	199,212
Total Revenues	621,345	1,137,653	516,308
Expenditures			
Current			
Public works	130,000	28,503	101,497
Capital outlay	1,426,650	1,300,142	126,508
Total Expenditures	1,556,650	1,328,645	228,005
Net Change in Fund Balance	$ (935,305)	(190,992)	$ 744,313
Fund Balance, Beginning		1,268,301	
Fund Balance, Ending		$ 1,077,309	

Town of Platteville, Colorado
Required Supplementary Information
Schedule of the Town's Proportionate Share of the Net Pension Liability - PERA
Last 10 Fiscal Years *

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Town's proportion of the net pension liability	0.1458437038%	0.1509142170%	0.1493181672%	0.1466537931%	0.1387698405%	0.1397202691%	0.1415349450%	0.1354052705%	0.1297296770%
Town's proportional share of the net pension liability (asset)	(125,042)	786,456	1,092,100	1,843,751	$ 1,545,105	$ 1,886,700	$ 1,559,128	$ 1,213,650	$ 1,067,573
Town's percentage of net pension liability as a percent of covered payroll	-11.522%	73.897%	106.219%	187.133%	177.605%	223.245%	193.967%	163.574%	154.247%
Town's covered payroll	1,085,205	1,064,263	1,028,162	985,260	869,967	845,126	803,809	741,956	692,121
Total pension liability	5,758,380,000	5,715,765,000	5,324,353,000	5,228,602,000	5,396,516,000	5,123,847,000	4,762,090,000	4,647,777,000	4,517,239,000
Plan fiduciary net position	5,844,117,000	5,194,638,000	4,592,962,000	3,971,389,000	4,283,086,000	3,773,506,000	3,660,509,000	3,751,468,000	3,508,312,000
Net pension liability (asset)	$ (85,737,000)	$ 521,127,000	$ 731,391,000	$ 1,257,213,000	$ 1,113,430,000	$ 1,350,341,000	$ 1,101,581,000	$ 896,309,000	$ 1,008,927,000
Plan fiduciary net position as a percentage of the total pension	101%	91%	86%	76%	79%	74%	77%	81%	78%

* This schedule was designed to show 10 years. Additional years will be presented as they become available until 10 years are shown.

Town of Platteville, Colorado
Schedule of Contributions Multiyear - PERA
Last 10 Fiscal Years

FY Ending December 31,	Contractually Determined Contribution	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2022	$ 156,652	$ 156,652	-	1,163,834	13.46%
2021	143,247	143,247	-	1,085,205	13.20%
2020	137,609	137,609	-	1,064,263	12.68%
2019	130,371	130,371	-	1,028,162	12.68%
2018	120,557	120,557	-	985,260	12.68%
2017	110,746	110,746	-	869,967	12.68%
2016	107,162	107,162	-	845,126	12.68%
2015	101,923	101,923	-	803,809	12.68%
2014	94,080	94,080	-	741,956	12.68%
2013	87,761	87,761	-	692,121	12.68%

Town of Platteville, Colorado
Required Supplementary Information
Schedule of the Town's Proportionate Share of the Net Pension Liability - FPPA SWDB
Last 10 Fiscal Years *

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Town's proportion of the net pension liability / (asset)	0.0674617741%	0.0648554886%	0.0614914998%	0.0685052648%	0.0631913666%	0.0655332067%	0.0625190215%	0.0636893492%	0.0629574803%
Town's proportional share of the net pension liability (asset)	$ (365,598)	$ (140,802)	$ (34,777)	$ 86,609	$ (90,911)	$ 23,680	$ (1,102)	$ (71,878)	$ (56,296)
Town's percentage of net pension liability as a percent of covered payroll	-67.219%	-26.900%	-7.674%	21.323%	-22.401%	6.855%	-0.349%	-25.096%	-20.587%
Town's covered payroll	543,890	523,425	453,200	406,173	405,826	345,463	316,138	286,413	273,450
Total pension liability	3,352,605,624	3,230,485,701	2,919,378,738	4,653,120,261	2,269,410,684	2,021,526,883	1,846,961,999	1,652,901,084	1,533,631,141
Plan fiduciary net position	3,894,539,387	3,447,586,098	2,975,935,079	2,526,692,808	2,413,276,447	1,985,393,043	1,848,724,853	1,765,758,630	1,623,049,809
Net pension liability (asset)	$ (541,933,763)	$ (217,100,397)	$ (56,556,341)	$ 2,126,427,453	$ (143,865,763)	$ 36,133,840	$ (1,762,854)	$ (112,857,546)	$ (89,418,668)
Plan fiduciary net position as a percentage of the total pension	116%	107%	102%	54%	106%	98%	100%	107%	106%

* This schedule was designed to show 10 years. Additional years will be presented as they become available until 10 years are shown.

Town of Platteville, Colorado
Schedule of Contributions Multiyear - FPPA SWDB
Last 10 Fiscal Years

FY Ending December 31,	Statutorily Determined Contribution	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2022	$ 50,960	$ 50,960	-	566,222	9.00%
2021	46,162	46,162	-	543,890	8.50%
2020	41,874	41,874	-	523,425	8.00%
2019	36,256	36,256	-	453,200	8.00%
2018	32,494	32,494	-	406,173	8.00%
2017	30,088	30,088	-	405,826	8.00%
2016	27,637	27,637	-	345,463	8.00%
2015	25,331	25,331	-	316,638	8.00%
2014	22,913	22,913	-	286,413	8.00%
2013	21,876	21,876	-	273,450	8.00%

Town of Platteville, Colorado
Required Supplementary Information
Schedule of the Town's Proportionate Share of the Net OPEB Liability - PERA
Last 10 Fiscal Years *

	2021	2020	2019	2018	2017	2016
Town's proportion of the net OPEB liability	0.0113245621%	0.0115033064%	0.0107613531%	0.0113603582%	0.0107613531%	0.0106983351%
Town's proportional share of the net OPEB liability	$ 97,652	$ 109,308	$ 128,445	$ 154,562	$ 139,855	$ 138,708
Town's percentage of net pension OPEB as a percent of covered payroll	8.998%	10.271%	12.493%	15.687%	16.076%	16.413%
Town's covered payroll	1,085,205	1,064,263	1,028,162	985,260	869,967	845,126
Total OPEB liability	1,423,054,000	1,413,526,000	1,488,508,000	1,639,734,000	1,575,822,000	1,556,762,000
Plan fiduciary net position	560,749,000	463,301,000	364,510,000	279,192,000	276,222,000	260,228,000
Net OPEB liability	$ 862,305,000	$ 950,225,000	$ 1,123,998,000	$ 1,360,542,000	$ 1,299,600,000	$ 1,296,534,000
Plan fiduciary net position as a percentage of the total OPEB liability	39%	33%	24%	17%	18%	17%

This schedule was designed to show 10 years. Additional years will be presented as they become available until 10 years are shown.

Town of Platteville, Colorado
Schedule of Contributions Multiyear - PERA
Last 10 Fiscal Years **

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
(a)	(b)	©	(d) = (b) - (c)	(e)	(f)
2022	$ 11,812	$ 11,812		1,163,834	1.02%
2021	11,056	11,056		1,085,205	1.02%
2020	10,861	10,861	-	1,064,263	1.02%
2019	10,495	10,495	-	1,064,263	1.02%
2018	9,705	9,705	-	985,260	1.02%
2017	8,874	8,874	-	869,967	1.02%
2016	8,620	8,620	-	845,126	1.02%
2015	8,199	8,199	-	803,809	1.02%
2014	7,568	7,568	-	741,956	1.02%
2013	7,060	7,060	-	692,121	1.02%

Town of Platteville, Colorado
Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Cemetery	Conservation Trust	Law Enforcement Equipment & Training	Harvest Daze	Total
Assets					
Restricted cash and cash equivalents	$ 320,402	$ 128,365	$ 300,150	$ 11,146	$ 760,063
Receivables	-	-	2,347	-	2,347
Total Assets	$ 320,402	$ 128,365	$ 302,497	$ 11,146	$ 762,410
Liabilities					
Accounts payable	$ 704	$ 10,000	$ -	$ -	$ 10,704
Other accrued liabilities	521	-	-	-	521
Total Liabilities	1,225	10,000	-	-	11,225
Fund Balance					
Restricted	319,177	118,365	302,497	11,146	751,185
Total Fund Balance	319,177	118,365	302,497	11,146	751,185
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 320,402	$ 128,365	$ 302,497	$ 11,146	$ 762,410

Other Supplementary Information

Town of Platteville, Colorado
Statement of Revenues, Expenditures and Change in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Cemetery	Conservation Trust	Law Enforcement Equipment & Training	Harvest Daze	Total
Revenues					
Intergovernmental	$ -	$ 37,729	$ -	$ -	$ 37,729
Charges for services	48,177	-	52,476	-	100,653
Fines and forfeits	-	-	47,354	-	47,354
Rent and royalties	75,089	-	-	-	75,089
Investment income	3,678	1,270	1,714	-	6,662
Grants	-	-	37,439	-	37,439
Other	-	-	52,948	40,372	93,320
Total Revenues	126,944	38,999	191,931	40,372	398,246
Expenditures					
Current					
General government	122,093	-	-	-	122,093
Public safety	-	-	70,564	-	70,564
Culture, parks and recreation	-	18,242	-	49,112	67,354
Total Expenditures	122,093	18,242	70,564	49,112	260,011
Excess of Revenues Over (Under) Expenditures	4,851	20,757	121,367	(8,740)	138,235
Other Financing Sources and (Uses)					
Transfers	-	-	-	10,000	10,000
Total Other Financing Sources and (Uses)	-	-	-	10,000	10,000
Net Change in Fund Balance	4,851	20,757	121,367	1,260	148,235
Fund Balance, Beginning	314,326	97,608	181,130	9,886	602,950
Fund Balance, Ending	$ 319,177	$ 118,365	$ 302,497	$ 11,146	$ 751,185

See the accompanying Independent Auditor's report

Town of Platteville, Colorado
Budgetary Comparison Schedule
Cemetery Fund
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for services	$ 41,000	$ 48,177	$ 7,177
Rent and royalties	75,000	75,089	89
Investment income	500	3,678	3,178
Total Revenues	116,500	126,944	10,444
Expenditures			
General government	171,854	122,093	49,761
Total Expenditures	171,854	122,093	49,761
Net Change in Fund Balance	$ (55,354)	4,851	$ 60,205
Fund Balance, Beginning		314,326	
Fund Balance, Ending		$ 319,177	

Town of Platteville, Colorado
Budgetary Comparison Schedule
Conservation Trust Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Intergovernmental	$ 30,000	$ 30,000	$ 37,729	$ 7,729
Investment income	150	150	1,270	1,120
Total Revenues	30,150	30,150	38,999	8,849
Expenditures				
Culture, parks and recreation	16,000	18,242	18,242	-
Total Expenditures	16,000	18,242	18,242	-
Net Change in Fund Balance	$ 14,150	$ 11,908	20,757	$ 8,849
Fund Balance, Beginning			97,608	
Fund Balance, Ending			$ 118,365	

Town of Platteville, Colorado
Budgetary Comparison Schedule
Law Enforcement Equipment and Training Fund
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for services	$ 43,382	$ 52,476	$ 9,094
Fines and forfeits	40,000	47,354	7,354
Investment income	750	1,714	964
Other	-	52,948	52,948
Total Revenues	84,132	191,931	107,799
Expenditures			
Public safety	80,499	70,564	9,935
Total Expenditures	80,499	70,564	9,935
Net Change in Fund Balance	$ 3,633	121,367	$ 117,734
Fund Balance, Beginning		181,130	
Fund Balance, Ending		$ 302,497	

Town of Platteville, Colorado
Budgetary Comparison Schedule
Harvest Daze Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other	$ 34,650	$ 34,650	$ 40,372	$ 5,722
Transfers in	-	-	10,000	10,000
Total Revenues	34,650	34,650	50,372	15,722
Expenditures				
Culture, parks and recreation	31,800	50,000	49,112	888
Total Expenditures	31,800	50,000	49,112	888
Net Change in Fund Balance	$ 2,850	$ (15,350)	1,260	$ 16,610
Fund Balance, Beginning			9,886	
Fund Balance, Ending			$ 11,146	

Town of Platteville, Colorado
Budgetary Comparison Schedule
Sewer Fund
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for services	$ 754,800	$ 803,480	$ 48,680
Interest income	750	23,448	22,698
Investment fees	3,905	-	(3,905)
Grants	255,773	643,471	387,698
Debt proceeds	2,905,003	3,806,610	901,607
Total Revenues	3,920,231	5,277,009	1,356,778
Expenditures			
General and Administration	298,148	231,826	66,322
Operations	278,995	223,391	55,604
Debt Service			
Principal	12,348	12,348	-
Interest	11,813	11,813	-
Capital Outlay	3,602,451	3,607,272	(4,821)
Total Expenditures	4,203,755	4,086,650	117,105
Change in Net Position - Budgetary Basis	$ (283,524)	1,190,359	$ 1,473,883
Reconciliation to GAAP Basis			
Capital Outlay		3,607,272	
Depreciation and amortization		(220,135)	
Debt proceeds		(3,806,610)	
Repayment of debt		12,348	
Change in Net Position - GAAP Basis		783,234	
Net Position, Beginning		3,633,236	
Net Position, Ending		$ 4,416,470	

Town of Platteville, Colorado
Budgetary Comparison Schedule
Water Fund
For the Year Ended December 31, 2022

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Charges for services	$ 961,762	$ 918,108	$ (43,654)
Interest income	1,000	16,043	15,043
Investment fees	3,300	-	(3,300)
Grants	346,862	-	
Other	1,250	-	(1,250)
Total Revenues	1,314,174	934,151	(33,161)
Expenditures			
General and Administration	287,600	246,409	41,191
Operations	544,333	633,465	(89,132)
Capital Outlay	140,000	40,000	100,000
Total Expenditures	971,933	919,874	52,059
Change in Net Position - Budgetary Basis	$ 342,241	14,277	$ 18,898
Reconciliation to GAAP Basis			
Capital Outlay		40,000	
Depreciation		(109,909)	
Change in Net Position - GAAP Basis		(55,632)	
Net Position, Beginning		7,615,895	
Net Position, Ending		$ 7,560,263	

Single Audit

THE ADAMS GROUP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Town of Platteville
Platteville, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Platteville (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, and have issued our report thereon dated May 22, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Adams Group, LLC

Denver, Colorado
May 22, 2023

THE ADAMS GROUP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Town of Platteville
Platteville, Colorado

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Town of Platteville's (the Town) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended December 31, 2022. The Town's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal program.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The Adams Group, LLC

Denver, Colorado
May 22, 2023

Town of Platteville, Colorado
Scheduele of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor	CFDA NUMBER	EXPENDITURES
United States Environmental Protection Agency		
Capitalization Grants for Clean Water State Revolving Funds	66.458	$ 513,065
Total United States Enviornmental Protection Agency		513,065
United States Department of the Interior		
Minerals Leasing Act	15.437	315,797
Total United States Department of the Interior		315,797
Total Federal Financial Awards		$ 828,862

Note 1 Basis of Presentation

The schedule of expenditures of federal awards is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore some amounts presented in this schedule may differ from amounts presented in the financial statement.

Note 2 Indirect Cost Rate

The Town uses the deminis cost rate of 10% to allocate indirect costs.

Town of Platteville, Colorado
Schedules of Findings and Questioned Costs
For the Year Ended December 31, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	*unmodified opinion*	
Internal control over financial reporting:		
• Material weakness(es) identified?	____ Yes	X No
• Significant deficiency(ies) identified?	____ Yes	X No
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	____ Yes	X No
• Significant deficiency	____ Yes	X No
Type of auditor's report issued on compliance for major programs:	*unmodified opinion*	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water – State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000

Auditee qualified as low-risk auditee?	____ Yes	X No

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standard.*

Section III Findings – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV Findings – Prior Year Findings

There are no prior year findings or questioned costs that are required to be reported.

Special Reports

The public report burden for this information collection is estimated to average 380 hours annually. Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Platteville
	YEAR ENDING : December 2021
This Information From The Records Of (example - City of _ or County of _	Prepared By: Phone:

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	424,855
3. Other local imposts (from page 2)	52,117
4. Miscellaneous local receipts (from page 2)	126,971
5. Transfers from toll facilities	0
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)	603,943
B. Private Contributions	
C. Receipts from State government (from page 2)	164,665
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	768,608

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	478,996
2. Maintenance:	31,390
3. Road and street services:	
a. Traffic control operations	
b. Snow and ice removal	17,233
c. Other	
d. Total (a. through c.)	17,233
4. General administration & miscellaneous	65,644
5. Highway law enforcement and safety	175,345
6. Total (1 through 5)	768,608
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)	768,608

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
	768,608	768,608		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2021

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	0	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	126,971
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	52,117	g. Other Misc. Receipts	
6. Total (1. through 5.)	52,117	h. Other	
c. Total (a. + b.)	52,117	i. Total (a. through h.)	126,971
	(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	153,442	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	11,223	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	11,223	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	164,665	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		478,996	478,996
(5). Total Construction (1) + (2) + (3) + (4)	0	478,996	478,996
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	478,996	478,996
			(Carry forward to page 1)

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