

TOWN OF CENTER, COLORADO

FINANCIAL STATEMENTS

December 31, 2023



Wall,
Smith,
Bateman Inc.

Certified Public Accountants

TOWN OF CENTER, COLORADO
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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Honorable Mayor
and Board of Trustees
Town of Center, Colorado
Center, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Center, Colorado (the Town), as of and for the year ended December 31, 2023, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town, as of December 31, 2023, 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 (GAAS). 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.

Certified Public Accountants

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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 GAAS 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 GAAS, 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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison and pension information, 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 schedule of expense and transfers out for all proprietary funds and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expense and transfers out for all proprietary funds and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wall, Smith, Bateman Inc

Wall, Smith, Bateman Inc.
Alamosa, Colorado

May 6, 2024

TOWN OF CENTER, COLORADO
BASIC FINANCIAL STATEMENTS

TOWN OF CENTER, COLORADO
STATEMENT OF NET POSITION
December 31, 2023

	Primary Government		TOTAL
	Governmental Activities	Business-Type Activities	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 1,619,492	\$ 7,024,007	\$ 8,643,499
Accounts Receivable	116,291	547,137	663,428
Due from Other Governments	178,655	-	178,655
Property Taxes Receivable	274,544	-	274,544
Inventories	9,404	562,058	571,462
Prepaid Expenses	-	-	-
Total Current Assets	2,198,386	8,133,202	10,331,588
Noncurrent Assets			
Land	3,750	177,732	181,482
Construction in Progress	-	745,856	745,856
Intangible and Water Rights	-	122,100	122,100
Buildings and Improvements	59,928	352,156	412,084
Infrastructure/Enterprise System	1,963,194	5,872,374	7,835,568
Plant, Property, and Equipment	902,929	1,385,588	2,288,517
Less: Accumulated Depreciation	(1,005,176)	(3,716,299)	(4,721,475)
Total Noncurrent Assets	1,924,625	4,939,507	6,864,132
TOTAL ASSETS	4,123,011	13,072,709	17,195,720
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	215,079	-	215,079
LIABILITIES			
Current Liabilities			
Accounts Payable	27,855	117,470	145,325
Payroll Liabilities	25,036	35,652	60,688
Due to Other Governments	195,742	17,472	213,214
Unearned Revenue	419,558	46,846	466,404
Compensated Absences	1,389	5,923	7,312
Financed Purchase Agreement	39,478	34,839	74,317
Notes Payable	-	93,397	93,397
Customer Deposits	6,878	95,199	102,077
Total Current Liabilities	715,936	446,798	1,162,734
Long-Term Liabilities			
Compensated Absences	38,671	45,349	84,020
Financed Purchase Agreement	85,804	110,153	195,957
Notes Payable	-	1,668,624	1,668,624
Net Pension Liability	25,582	-	25,582
Total Long-Term Liabilities	150,057	1,824,126	1,974,183
TOTAL LIABILITIES	865,993	2,270,924	3,136,917
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Tax	274,544	-	274,544
Pensions	16,342	-	16,342
Total Deferred Inflows of Resources	290,886	-	290,886
NET POSITION			
Net Investment in Capital Assets	1,799,343	3,032,494	4,831,837
Restricted for:			
TABOR	54,279	-	54,279
Unrestricted	1,327,589	7,769,291	9,096,880
TOTAL NET POSITION	\$ 3,181,211	\$ 10,801,785	\$ 13,982,996

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		TOTAL
					Governmental Activities	Business-Type Activities	
Primary Government							
Governmental Activities							
General Government	\$ 534,736	\$ 82,504	\$ 293,781	\$ -	\$ (158,451)	\$ -	\$ (158,451)
Public Safety	897,663	22,090	123,039	-	(752,534)	-	(752,534)
Municipal Court	25,372	595	-	-	(24,777)	-	(24,777)
Building and Planning	20,727	6,708	-	-	(14,019)	-	(14,019)
Sanitation	-	-	-	-	-	-	-
Streets and Parks	323,659	-	27,208	-	(296,451)	-	(296,451)
Health and Welfare	-	-	-	-	-	-	-
Highway and Streets	92,605	-	-	-	(92,605)	-	(92,605)
Total Governmental Activities	1,894,762	111,897	444,028	-	(1,338,837)	-	(1,338,837)
Business-Type Activities							
Light and Power	1,796,510	2,561,792	-	-	-	765,282	765,282
Gas	1,053,443	1,798,146	-	-	-	744,703	744,703
Water	672,262	765,731	-	-	-	93,469	93,469
Total Business-Type Activities	3,522,215	5,125,669	-	-	-	1,603,454	1,603,454
Total Primary Government	\$ 5,416,977	\$ 5,237,566	\$ 444,028	\$ -	(1,338,837)	1,603,454	264,617
General Revenues:							
Taxes:							
					279,878	-	279,878
					854,991	-	854,991
					55,561	-	55,561
					139,298	-	139,298
					68,416	301,147	369,563
					43,457	-	43,457
					-	-	-
					1,441,601	301,147	1,742,748
					378,677	(378,677)	-
					481,441	1,525,924	2,007,365
					2,699,770	9,275,861	11,975,631
					\$ 3,181,211	\$ 10,801,785	\$ 13,982,996

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	<u>GENERAL FUND</u>	<u>STREET IMPROVEMENT FUND</u>	<u>CONSERVATION TRUST FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,152,099	\$ 345,223	\$ 122,170	\$ 1,619,492
Accounts Receivable	116,291	-	-	116,291
Due from Other Governments	145,058	33,597	-	178,655
Property Taxes Receivable	274,544	-	-	274,544
Inventory	9,404	-	-	9,404
Prepaid Expenses	-	-	-	-
TOTAL ASSETS	<u>\$ 1,697,396</u>	<u>\$ 378,820</u>	<u>\$ 122,170</u>	<u>\$ 2,198,386</u>
LIABILITIES				
Accounts Payable	\$ 27,855	\$ -	\$ -	\$ 27,855
Payroll Liabilities	25,036	-	-	25,036
Due to Other Governments	195,742	-	-	195,742
Unearned Revenue- Grants	419,558	-	-	419,558
Customer Deposits	6,878	-	-	6,878
TOTAL LIABILITIES	<u>675,069</u>	<u>-</u>	<u>-</u>	<u>675,069</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Tax	274,544	-	-	274,544
FUND BALANCE				
Nonspendable				
Inventory	9,404	-	-	9,404
Prepaid Expenses	-	-	-	-
Restricted				
TABOR Amendment Reserve	54,279	-	-	54,279
Committed				
Capital Projects	-	378,820	-	378,820
Culture and Recreation	-	-	122,170	122,170
Economic Development	289,102	-	-	289,102
Assigned				
Designated for Subsequent Years	-	-	-	-
Unassigned	394,998	-	-	394,998
TOTAL FUND BALANCE	<u>747,783</u>	<u>378,820</u>	<u>122,170</u>	<u>1,248,773</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 1,697,396</u>	<u>\$ 378,820</u>	<u>\$ 122,170</u>	<u>\$ 2,198,386</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2023

Total Governmental Fund Balances	\$ 1,248,773
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,924,625
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.	215,079
Net pension assets (liabilities) are not due and payable in the current period and are not reported in the funds.	(25,582)
Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds.	(16,342)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Financed Purchase Agreement	\$ (125,282)
Compensated Absences	<u>(40,060)</u>
	<u>(165,342)</u>
Net Position of Governmental Activities	<u><u>\$ 3,181,211</u></u>

TOWN OF CENTER, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	GENERAL FUND	STREET IMPROVEMENT FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 1,060,419	\$ 213,748	\$ -	\$ 1,274,167
Licenses and Permits	6,708	-	-	6,708
Intergovernmental Revenue	472,381	-	27,208	499,589
Charges for Services	105,189	-	-	105,189
Interest on Accounts	45,133	23,283	-	68,416
Miscellaneous Revenue	37,960	-	5,497	43,457
TOTAL REVENUES	1,727,790	237,031	32,705	1,997,526
EXPENDITURES				
General Government	556,810	-	-	556,810
Public Safety	836,288	-	-	836,288
Municipal Court	25,372	-	-	25,372
Building and Planning	20,727	-	-	20,727
Sanitation	-	-	-	-
Streets and Parks	270,879	-	-	270,879
Health and Welfare	-	-	-	-
Highway and Streets	-	5,155	-	5,155
Capital Outlay	31	466,178	19,968	486,177
Debt Service	45,500	-	-	45,500
TOTAL EXPENDITURES	1,755,607	471,333	19,968	2,246,908
Excess (Deficiency) of Revenues Over Expenditures	(27,817)	(234,302)	12,737	(249,382)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
Transfer In	378,677	-	-	378,677
Long-Term Debt Issued	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	378,677	-	-	378,677
Net Change in Fund Balance	350,860	(234,302)	12,737	129,295
Fund Balance at Beginning of Year	396,923	613,122	109,433	1,119,478
Fund Balance at End of Year	\$ 747,783	\$ 378,820	\$ 122,170	\$ 1,248,773

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 129,295

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

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

Capital Asset Additions	\$	513,757	
Deletions Net of Accumulated Depreciation		-	
Depreciation Expense		<u>(209,206)</u>	
			304,551

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Long-Term Debt Issued		-	
Financed Purchase Principal Payments		<u>39,749</u>	
			39,749

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences		-	
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Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension expense.		<u>7,846</u>	
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Change in Net Position of Governmental Funds \$ 481,441

TOWN OF CENTER, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2023

	LIGHT AND POWER FUND	NATURAL GAS FUND	WATER FUND	TOTAL
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 4,189,684	\$ 2,656,527	\$ 177,796	\$ 7,024,007
Accounts Receivable	232,239	265,482	49,416	547,137
Due from Other Funds	125,000	-	-	125,000
Due from Other Governments	-	-	-	-
Inventories	291,856	14,605	255,597	562,058
Prepaid Expenses	-	-	-	-
Total Current Assets	4,838,779	2,936,614	482,809	8,258,202
Capital Assets				
Land and Improvements	105,032	5,750	66,950	177,732
Construction in Progress	745,856	-	-	745,856
Intangible and Water Rights	-	-	122,100	122,100
Buildings	106,400	105,690	140,066	352,156
Enterprise System Assets	1,780,635	394,994	3,696,745	5,872,374
Equipment and Furniture	1,059,944	256,647	68,997	1,385,588
Less: Accumulated Depreciation	(2,579,478)	(542,207)	(594,614)	(3,716,299)
Total Capital Assets	1,218,389	220,874	3,500,244	4,939,507
TOTAL ASSETS	6,057,168	3,157,488	3,983,053	13,197,709
LIABILITIES				
Current Liabilities				
Accounts Payable	25,110	87,455	4,905	117,470
Payroll Liabilities	11,123	11,123	13,406	35,652
Customer Deposits	33,199	52,266	9,734	95,199
Unearned Revenue	-	46,846	-	46,846
Due to Other Funds	-	-	125,000	125,000
Due to Other Governments	15,112	2,360	-	17,472
Compensated Absences	1,974	1,974	1,975	5,923
Financed Purchase Agreement	17,419	17,420	-	34,839
Note Payable	-	-	93,397	93,397
Total Current Liabilities	103,937	219,444	248,417	571,798
Noncurrent Liabilities				
Compensated Absences	15,098	15,783	14,468	45,349
Financed Purchase Agreement	55,077	55,076	-	110,153
Note Payable	-	-	1,668,624	1,668,624
Total Noncurrent Liabilities	70,175	70,859	1,683,092	1,824,126
TOTAL LIABILITIES	174,112	290,303	1,931,509	2,395,924
NET POSITION				
Net Investment in Capital Assets	1,145,893	148,378	1,738,223	3,032,494
Restricted- TABOR Amendment Reserve	-	-	-	-
Unrestricted	4,737,163	2,718,807	313,321	7,769,291
TOTAL NET POSITION	\$ 5,883,056	\$ 2,867,185	\$ 2,051,544	\$ 10,801,785

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2023

	LIGHT AND POWER FUND	NATURAL GAS FUND	WATER FUND	TOTAL
OPERATING REVENUES				
Charges for Services				
Utility Sales	\$ 2,395,248	\$ 1,752,554	\$ 558,111	\$ 4,705,913
Labor and Service Charges	14,640	-	3,000	17,640
Fees	42,075	42,075	195,309	279,459
Miscellaneous Revenue	109,829	3,517	9,311	122,657
Total Operating Revenues	2,561,792	1,798,146	765,731	5,125,669
OPERATING EXPENSES				
Salaries	249,691	242,571	328,012	820,274
FICA/Medicare	19,100	18,814	24,884	62,798
Employee Benefits	41,308	40,612	54,640	136,560
Electricity Purchase	1,200,215	-	-	1,200,215
Gas Purchase	-	601,393	-	601,393
Training	3,787	2,669	7,159	13,615
Repairs and Maintenance	16,575	2,526	11,279	30,380
Meter Replacement	-	1,761	-	1,761
Professional Fees	21,690	17,965	47,023	86,678
Fuel and oil	3,376	3,376	2,136	8,888
Utilities	19,891	22,699	28,365	70,955
Insurance	18,802	18,802	18,802	56,406
Supplies and Equipment	81,997	34,150	37,150	153,297
Depreciation	74,964	17,231	67,530	159,725
Miscellaneous	45,114	28,874	40,213	114,201
Total Operating Expenses	1,796,510	1,053,443	667,193	3,517,146
Operating Income (Loss)	765,282	744,703	98,538	1,608,523
NON-OPERATING REVENUES (EXPENSES)				
Sale of Capital Assets	-	-	-	-
Interest on Accounts	178,999	113,830	8,318	301,147
Grant Revenue	-	-	-	-
Note Payable Interest Expense	-	-	(5,069)	(5,069)
Total Non-operating Revenues (Expenses)	178,999	113,830	3,249	296,078
Income Before Operating Transfers and Special Item	944,281	858,533	101,787	1,904,601
Transfers Out	(182,815)	(144,253)	(51,609)	(378,677)
Change in Net Position	761,466	714,280	50,178	1,525,924
Net Position Beginning of Year	5,121,590	2,152,905	2,001,366	9,275,861
Net Position End of Year	\$ 5,883,056	\$ 2,867,185	\$ 2,051,544	\$ 10,801,785

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2023

	LIGHT AND POWER FUND	NATURAL GAS FUND	WATER FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 2,622,860	\$ 1,736,045	\$ 756,718	\$ 5,115,623
Cash Payments to Suppliers for Goods and Services	(1,428,494)	(905,589)	(190,216)	(2,524,299)
Cash Payments to Employees	(249,691)	(242,571)	(328,012)	(820,274)
Cash Payments for Employee Benefits and Taxes	(60,408)	(59,426)	(79,524)	(199,358)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	884,267	528,459	158,966	1,571,692
CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES				
Transfers (to) from Other Funds	(182,815)	(144,253)	(51,609)	(378,677)
Due (to) from Other Funds	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(182,815)	(144,253)	(51,609)	(378,677)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Customer Deposits	1,315	465	200	1,980
Grant Revenues	-	-	-	-
Long-Term Debt Issued	-	-	-	-
Principal Payments on Debt	(18,823)	(18,823)	(93,115)	(130,761)
Interest Payments on Debt	-	-	(5,069)	(5,069)
Purchase/Sale of Fixed Assets	(24,360)	-	(12,952)	(37,312)
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(41,868)	(18,358)	(110,936)	(171,162)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Income	178,999	113,830	8,318	301,147
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	178,999	113,830	8,318	301,147
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	838,583	479,678	4,739	1,323,000
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,351,101	2,176,849	173,057	5,701,007
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,189,684	\$ 2,656,527	\$ 177,796	\$ 7,024,007
OPERATING INCOME (LOSS)	\$ 765,282	\$ 744,703	\$ 98,538	\$ 1,608,523
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation expense	74,964	17,231	67,530	159,725
Change in Assets and Liabilities				
(Increase) decrease in accounts receivable	61,068	(42,818)	(9,013)	9,237
(Increase) decrease in prepaid expense	-	-	-	-
(Increase) decrease in inventory	-	-	-	-
Increase (decrease) in accounts payable	(22,857)	(167,112)	(1,129)	(191,098)
Increase (decrease) in payroll liabilities	3,019	3,420	3,040	9,479
Increase (decrease) in compensated absences	-	-	-	-
Increase (decrease) in due to other governments	2,791	(7,682)	-	(4,891)
Increase (decrease) in unearned revenue	-	(19,283)	-	(19,283)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 884,267	\$ 528,459	\$ 158,966	\$ 1,571,692

The accompanying notes are an integral part of this financial statement.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Town of Center, (the Town), reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

REPORTING ENTITY

Primary Government

The Town of Center was incorporated in 1906. A Board of Trustees, consisting of six elected Board members and an elected mayor, governs the Town. As required by accounting principles generally accepted in the United States of America (US GAAP), these financial statements present the activities of the Town, which is legally separate and financially independent of other state and local governments. The Town provides numerous services to all Town residents including, but not limited to, general government, road maintenance, police protection, utility services, and parks and recreation.

Component Units

The Town's combined financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Town holds the corporate powers of the organization
- The Town appoints a voting majority of the organization's board
- The Town is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Town
- There is fiscal dependency by the organization on the Town
- The organization is financially accountable to the Town
- The organization receives or holds funds that are for the benefit of the Town; and the Town has access to a majority of the funds held; and the funds that are accessible are also significant to the Town

Based on the aforementioned criteria, the Town does not have any component units.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements include a statement of net position and a statement of activities. Government-wide statements report information on all of the activities of the Town. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023

- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

Sales and use taxes, other taxes, charges for services, intergovernmental revenues, and interest are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

- The **General Fund** is the general operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Street Improvement Fund** is used to account for street improvement costs and is funded by a sales tax of one percent.
- The **Conservation Trust Fund** is used to account for the Town share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

The Town reports the following major enterprise funds:

- The **Light and Power Fund** is used to account for user charges and expenses for operating, financing, and maintaining the Town's light and power system.
- The **Natural Gas Fund** is used to account for user charges and expenses for operating, financing, and maintaining the Town's natural gas system.
- The **Water Fund** is used to account for user charges and expenses for operating, financing, and maintaining the Town's water system.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023

proprietary fund's principal ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash and Investments

The Town's cash and cash equivalents are considered to be cash in bank, certificates of deposit, and liquid investments with maturity of three months or less from the date of acquisition. All investments, if any, are recorded at fair market value.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15 or in full on April 30. The Town's property taxes are collected by the County Treasurer who remits monthly receipts to the Town. Property tax revenue is recognized when received by the County Treasurer.

The 2023 property tax levy due January 1, 2024, has been recorded in the financial statements as a receivable and corresponding deferred inflows of resources in the financial statements.

Receivables/Payables From Other Funds

Balances that originate from current lending/borrowing arrangements between funds are referred to as "Due To/From Other Funds".

Inventory

General Fund, Light and Power, Natural Gas, and Water fund inventories are valued at the lower of cost (first in, first out) or market value at December 31, 2023.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Capital Assets

Capital assets, which include land, buildings and improvements, infrastructure, equipment, vehicles, and construction in progress, are reported in the applicable governmental activities columns in the Government-wide Financial Statements. The Town defines capital assets as assets with an initial, individual cost of more than \$5,000 and life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Capital assets are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	5-60
Equipment	5-10
Plant	60
Infrastructure	10
Vehicles	5-10

GASB No. 34 requires the Town to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc.

Compensated Absences

Personal time off is granted to full-time employees only and accrual rates are dependent on years of employment and exempt status. Employees may not carry-over more than 360 hours on December 31st of every year. Upon separation from the Town an employee will be paid for all accrued leave, up to the maximum accrual of 360 hours. A liability is recorded for compensated absences in the government-wide and proprietary fund financial statements.

Long-Term Obligations

Long-term debt and other long-term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as an other financing source and debt payments are reported as debt service expenditures.

Interest Capitalization

Interest costs are capitalized when incurred by proprietary funds and similar component units on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. No interest was capitalized in the current period.

Deferred Inflows

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

Encumbrances

The Town does record purchase orders in the accounting system upon approval of administration. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported based on the extent to which the Town is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the five categories:

- *Nonspendable* – amounts that cannot be spent because they are not in spendable form- such as inventory and prepaid insurance.
- *Restricted* – amounts with constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – amounts that can only be used for specific purposes as a result of constraints imposed by adopted ordinance of the Board of Trustees, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board of Trustees removed those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned* – amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Trustees or by an official or body to which the governing body delegates the authority.
- *Unassigned* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

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

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Contracts

The Town contracts with a private carrier for sanitation services. The Town bills the individual customers and remits the collections less a billing fee to the carrier.

New Accounting Pronouncements

During fiscal year 2023, the Town adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangement (SBITA)*, that establishes that a SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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in an exchange or exchange-like transaction. This standard requires governmental entities to record a subscription liability and an intangible right-to-use subscription asset for those contracts for the subscription term. This standard does not have a material effect on the financial statements of the Town.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town follows the procedures set forth in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

- Preparation of budget documents by administrative staff shall be submitted to the Board no later than October 15 of each year.
- Publication of a notice stating that the budget is available for public inspection.
- Discussion of the budget in a meeting open to the public.
- Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.
- Ordinance to adopt supplemental appropriations.

Formal budgetary integration is employed as a management control device for all funds of the Town. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

NOTE 3 CASH, DEPOSITS, AND INVESTMENTS

A summary of Cash and Investments for the Town are as follows:

Cash on Hand and in Banks	\$ 643,592
Cash with Fiscal Agent	-
Investments - ColoTrust	<u>7,999,907</u>
Total cash, deposits, and investments on the Statement of Net Position	<u><u>\$8,643,499</u></u>

CASH AND DEPOSITS

Colorado State Statutes govern the Town's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2023 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

TOWN OF CENTER, COLORADO
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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. At December 31, 2023, \$590,270 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

INVESTMENTS

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. They include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

Credit Risk

The Town does not have a formal investment policy, they refer to Colorado State Statutes for investment guidance, that calls for diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. As of December 31, 2023, the local government investment pools (ColoTrust) in which the Town had invested was rated AAAM by Standard & Poor's.

Fair Value investments classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The Town has no investments with maturities past five years.

The Colorado Government Liquid Asset Trust (ColoTrust) is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. ColoTrust operates in a manner similar to a money market fund and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of pool shares. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments

TOWN OF CENTER, COLORADO
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owned by the pool. Investments of the pool consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes.

Investments in local government investment pools or money market funds are not categorized as to risk because they are not evidenced by securities that exist in physical or book entry form.

NOTE 4 ACCOUNTS RECEIVABLE

At December 31, 2023, the Town had accounts receivable as follows:

General Fund (net of allowance for uncollectible accounts of \$0)	\$ 116,291
Light & Power Fund (net of allowance for uncollectible accounts of \$0)	232,239
Natural Gas Fund (net of allowance for uncollectible accounts of \$0)	265,482
Water Fund (net of allowance for uncollectible accounts of \$0)	49,416
Total	\$ 663,428

NOTE 5 DUE FROM OTHER GOVERNMENTS

Intergovernmental receivables include amounts due from grantors for specific program grants. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

As of December 31, 2023, the Town had \$178,655 due from federal, state, and local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Receivables/Payables

The composition of interfund balances as of December 31, 2023 were as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
Light and Power Fund	Water Fund	\$ 125,000
Total		\$ 125,000

The balance of \$125,000 due to the Light and Power Fund from the Water Fund resulted from a loan made to cover operating cash deficits. The original loan was to be paid back in one year at .5% interest per annum, and was extended for an additional year.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023

Interfund Transfers

Transfers In	Transfers Out	Amount
General Fund	Light and Power Fund Natural Gas Fund Water Fund	\$ 182,815 144,253 <u>51,609</u>
Total		<u><u>\$ 378,677</u></u>

Transfers were made to subsidize the General Fund.

NOTE 7 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
<i>Governmental Activities:</i>				
Capital assets not being depreciated				
Land and Land Improvements	\$ 3,750	\$ -	\$ -	\$ 3,750
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	3,750	-	-	3,750
Capital assets being depreciated				
Buildings and Improvements	38,802	21,126	-	59,928
Property, Plant & Equipment	876,476	26,453	-	902,929
Infrastructure	1,497,016	466,178	-	1,963,194
Total capital assets being depreciated	2,412,294	513,757	-	2,926,051
Less: Accumulated Depreciation	795,970	209,206	-	1,005,176
Total capital assets being depreciated, net	1,616,324	304,551	-	1,920,875
<i>Governmental Activities Capital Assets, Net</i>	\$ 1,620,074	\$ 304,551	\$ -	\$ 1,924,625

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
<i>Business-type Activities:</i>				
Capital assets not being depreciated				
Land and Land Improvements	\$ 177,732	\$ -	\$ -	\$ 177,732
Intangible and Water Rights	122,100	-	-	122,100
Construction in Progress	721,496	24,360	-	745,856
Total capital assets not being depreciated	<u>1,021,328</u>	<u>24,360</u>	<u>-</u>	<u>1,045,688</u>
Capital assets being depreciated				
Buildings	352,156	-	-	352,156
Enterprise System	5,859,422	12,952	-	5,872,374
Equipment and Furniture	1,385,588	-	-	1,385,588
Total capital assets being depreciated	<u>7,597,166</u>	<u>12,952</u>	<u>-</u>	<u>7,610,118</u>
Less: Accumulated Depreciation	<u>3,556,574</u>	<u>159,725</u>	<u>-</u>	<u>3,716,299</u>
Total capital assets being depreciated, net	<u>4,040,592</u>	<u>(146,773)</u>	<u>-</u>	<u>3,893,819</u>
<i>Business-type Activities Capital Assets, Net</i>	<u><u>\$ 5,061,920</u></u>	<u><u>\$ (122,413)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,939,507</u></u>

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

Governmental Activities

General Government	\$ 5,506
Streets and Parks	52,780
Highways and Streets	87,450
Public Safety	63,470
Total depreciation expense – governmental activities	<u><u>\$ 209,206</u></u>

Business-type Activities

Light & Power Services	\$ 74,964
Natural Gas Services	17,231
Water Services	67,530
Total depreciation expense – business-type activities	<u><u>\$ 159,725</u></u>

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023

NOTE 8 LONG-TERM DEBT

Changes in Long-term Debt

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023	Due Within One Year
<i>Governmental Activities:</i>					
Financed Purchase Agreements	\$ 165,031	\$ -	\$ 39,749	\$ 125,282	\$ 39,478
Compensated Absences	40,060	-	-	40,060	1,389
Total Governmental Activities	<u>\$ 205,091</u>	<u>\$ -</u>	<u>\$ 39,749</u>	<u>\$ 165,342</u>	<u>\$ 40,867</u>
<i>Business-type Activities:</i>					
Notes Payable	\$ 1,855,136	\$ -	\$ 93,115	\$1,762,021	\$ 93,397
Financed Purchase Agreement	182,638	-	37,646	144,992	34,839
Compensated Absences	51,271	-	-	51,271	5,923
Total Business-type Activities	<u>\$ 2,089,045</u>	<u>\$ -</u>	<u>\$130,761</u>	<u>\$1,958,284</u>	<u>\$ 134,159</u>

GOVERNMENTAL ACTIVITIES

Financed Purchase Agreements

A financed purchase agreement, dated January 4, 2021, was entered into with First Government Lease Co., as lessor, and Town of Center (the Town), as lessee, for the purchase of two Dodge Charger police cars. Payments are due in annual installments of \$21,898, which includes interest at a rate of 3.99%. Payments will be made from the General Fund with final payment due December 1, 2025. The vehicles are included in capital assets at a cost of \$87,898 with accumulated depreciation of \$43,950.

The annual debt service for the financed purchase agreement is as follows:

	Principal	Interest	Total
2024	\$ 18,752	\$ 3,146	\$ 21,898
2025	20,264	1,634	21,898
	<u>\$ 39,016</u>	<u>\$ 4,780</u>	<u>\$ 43,796</u>

A financed purchase agreement, dated October 5, 2022, was entered into with Leasing Specialists, LLC., as lessor, and Town of Center (the Town), as lessee, for the purchase of two vehicles. Payments are due in annual installments of \$23,602, which includes interest at a rate of 3.65%. Payments will be made from the General Fund, with final payment due March 1, 2027. The vehicles are included in capital assets at a cost of \$133,662 with accumulated depreciation of \$38,188.

TOWN OF CENTER, COLORADO
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The annual debt service for the financed purchase agreement is as follows:

	Principal	Interest	Total
2024	\$ 20,726	\$ 2,874	\$ 23,600
2025	21,410	2,190	23,600
2026	22,116	1,484	23,600
2027	22,014	754	22,768
	\$ 86,266	\$ 7,302	\$ 93,568

BUSINESS-TYPE ACTIVITIES

Notes Payable

Series 2015 Bond dated January 27, 2015, payable to Colorado Water Resources and Power Development Authority for the purpose of constructing a new water storage tank with the maximum principal amount \$1,103,000 with an interest rate of 0%. Payments will be made semiannually over a 30 year period and the final payment is due in 2045.

As of December 31, 2023, the Town is in compliance with the rate covenant requirements applicable to the Colorado Resource and Power Development Authority loan agreements.

The annual debt service for the note payable is as follows:

	Principal	Interest	Total
2024	\$ 36,767	\$ -	\$ 36,767
2025	36,767	-	36,767
2026	36,767	-	36,767
2027	36,767	-	36,767
2028	36,767	-	36,767
2029-2033	183,833	-	183,833
2034-2038	183,833	-	183,833
2039-2043	183,833	-	183,833
2044-2045	55,149	-	55,149
	\$ 790,483	\$ -	\$ 790,483

On July 15, 2019 the Town entered into a loan agreement with Colorado Water Resources and Power Development Authority in the amount of \$1,144,280 with an interest rate of 0.5% to complete the water meter project. As of December 31, 2023 the Town has drawn down the entire note payable. Repayment of funds began in 2020.

TOWN OF CENTER, COLORADO
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The annual debt service for the note payable is as follows:

	Principal	Interest	Total
2024	\$ 56,630	\$ 4,787	\$ 61,417
2025	56,913	4,503	61,416
2026	57,198	4,219	61,417
2027	57,485	3,932	61,417
2028	57,772	3,644	61,416
2029-2033	293,230	13,855	307,085
2034-2038	300,643	6,441	307,084
2039-2040	91,666	459	92,125
	\$ 971,538	\$ 41,840	\$ 1,013,378

Financed Purchase Agreements

A financed purchase agreement, dated October 5, 2022, was entered into with Leasing Specialists, LLC., as lessor, and Town of Center (the Town), as lessee, for the purchase of four vehicles. Payments are due in annual installments of \$39,671, which includes interest at a rate of 3.65%. Payments will be made from the Light and Power Fund and Natural Gas Fund, with final payment due March 1, 2027. The vehicles are included in capital assets at a cost of \$232,638 with accumulated depreciation of \$52,513.

The annual debt service for the financed purchase agreement is as follows:

	Principal	Interest	Total
2024	\$ 34,839	\$ 4,832	\$ 39,671
2025	35,989	3,682	39,671
2026	37,177	2,494	39,671
2027	36,987	1,267	38,254
	\$ 144,992	\$ 12,275	\$ 157,267

NOTE 9 PENSION PLANS

Defined Contribution Plan

The Town offers a SIMPLE IRA defined contribution plan through Invesco. This plan is available to all eligible full-time employees after six months of employment, except sworn police officers. The Town will contribute a matching contribution to each eligible employee equal to the employee's contributions up to a limit of 3%. The employees become 100% vested in the Town's contribution once they are eligible to contribute to the plan. Plan provisions and contribution requirements are established and may be amended by the Board of Trustees.

For the year ended December 31, 2023, total employee contributions to the Plan were \$29,392 and matching Town contributions totaled \$21,095.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023

Police Pension

General Information about the Fire and Police Statewide Defined Benefit Plan

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

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

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

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

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

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12 percent and 9 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

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

The contribution rate for members and employers of affiliated social security employers is 6 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023

contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Contributions to the Plan from the Town were \$32,823 for the year ended December 31, 2023.

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

At December 31, 2023, the Town reported a liability (asset) of \$25,582 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2023. The Town's proportion of the net pension liability (asset) was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined as of December 31, 2022, based upon the January 1, 2022 actuarial valuation. At December 31, 2022, the Town's proportion was 0.0288 percent, which was an increase of 0.0003 from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Town increased pension expense by (\$7,846). At December 31, 2023, 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	\$ 55,375	\$ 3,140
Net difference between projected and actual investment earnings	57,890	-
Changes of assumptions	32,773	-
Changes in proportion	36,218	13,202
Contributions subsequent to the measurement date	32,823	-
Total	<u>\$ 215,079</u>	<u>\$ 16,342</u>

\$32,823 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease (increase) of the net pension liability (asset) in the year ended December 31, 2024.

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,	
2024	\$ 18,193
2025	29,022
2026	39,135
2027	52,975
2028	13,734
Thereafter	12,856
	<u>\$ 165,915</u>

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumption and other inputs:

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2023	January 1, 2022
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return*	7.00%	7.00%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
* Includes Inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 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 2022 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 & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	35.0%	8.93%
Equity Long/Short	6.0%	7.47%
Illiquid Alternatives	34.0%	10.31%
Fixed Income- Rates	10.0%	5.45%
Fixed Income- Credit	5.0%	6.90%
Absolute Return	9.0%	6.49%
Cash	1.0%	3.92%
Total	<u>100.0%</u>	

The discount rate used to measure the total pension liability (asset) 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 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

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023

expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

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

1% Decrease	Discount Rate	1% Increase
6.00%	7.00%	8.00%
<u>\$ 176,356</u>	<u>\$ 25,582</u>	<u>\$ (99,309)</u>

NOTE 10 TABOR EMERGENCY RESERVE

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

On April 4, 2000, the voters of Center passed a ballot issue to permit the Town of Center “in 1999 and each subsequent year thereafter, to retain and spend Town revenues in excess of the spending, revenue raising, or other limits in Article X, Section 20, of the Colorado constitution, utilizing such revenues for public safety, municipal services, transportation and other public improvements, park and recreational facilities, and any other lawful purpose as voter-approved revenue change.”

The amendment also requires that Emergency Reserves be established. These reserves must be at least 3 percent of fiscal year spending in 1995 and thereafter. This Emergency Reserve has been presented as a reservation of fund balance in the General Fund. The entity is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Lawsuits

The Town is party to various legal actions normally associated with governmental activities, the aggregate effect of which, in management’s and legal counsel’s opinion, would not be material to the financial statements.

TOWN OF CENTER, COLORADO
NOTES TO THE BASIC FINANCIAL STATEMENTS
December 31, 2023

Construction Projects

The Town is in the process of performing electrical upgrades in sections of the Town. The electrical upgrade underground estimated completion date is 2026. As of December 31, 2023, project costs are approximately \$745,856 with total estimated completion costs of \$1,000,000.

TOWN OF CENTER, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund and, if applicable, each of the Town's major special revenue funds. In addition, pension plan contributions and the Town's proportionate share of the net pension liability are required to supplement the basic financial statements.

TOWN OF CENTER, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Taxes	\$ 831,438	\$ 831,438	\$ 1,060,419	\$ 228,981
Licenses and Permits	5,950	5,950	6,708	758
Intergovernmental Revenue	1,763,806	1,763,806	472,381	(1,291,425)
Charges for Services	138,484	138,484	105,189	(33,295)
Interest on Accounts	1,750	1,750	45,133	43,383
Miscellaneous Revenue	22,100	22,100	37,960	15,860
TOTAL REVENUE	<u>2,763,528</u>	<u>2,763,528</u>	<u>1,727,790</u>	<u>(1,035,738)</u>
EXPENDITURES				
General Government	1,123,007	1,123,007	556,810	566,197
Public Safety	918,819	918,819	836,288	82,531
Municipal Court	28,033	28,033	25,372	2,661
Building and Planning	21,978	21,978	20,727	1,251
Sanitation	-	-	-	-
Streets and Parks	1,003,907	1,003,907	270,879	733,028
Capital Outlay	5,000	5,000	31	4,969
Debt Service	45,500	45,500	45,500	-
TOTAL EXPENDITURES	<u>3,146,244</u>	<u>3,146,244</u>	<u>1,755,607</u>	<u>1,390,637</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(382,716)</u>	<u>(382,716)</u>	<u>(27,817)</u>	<u>354,899</u>
OTHER FINANCING SOURCES (USES)				
Sale of Fixed Assets	-	-	-	-
Transfer In	464,666	464,666	378,677	(85,989)
Long-Term Debt Issued	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>464,666</u>	<u>464,666</u>	<u>378,677</u>	<u>(85,989)</u>
Net Change in Fund Balance	81,950	81,950	350,860	268,910
Fund Balance at Beginning of Year	<u>367,172</u>	<u>367,172</u>	<u>396,923</u>	<u>29,751</u>
Fund Balance at End of Year	<u>\$ 449,122</u>	<u>\$ 449,122</u>	<u>\$ 747,783</u>	<u>\$ 298,661</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

TOWN OF CENTER, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
STREET IMPROVEMENT FUND
For the Year Ended December 31, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Sales Tax	\$ 175,000	\$ 175,000	\$ 213,748	\$ 38,748
Interest Income	5,000	5,000	23,283	18,283
TOTAL REVENUES	<u>180,000</u>	<u>180,000</u>	<u>237,031</u>	<u>57,031</u>
EXPENDITURES				
Highway and Streets	32,500	32,500	5,155	27,345
Capital Outlay	530,000	530,000	466,178	63,822
TOTAL EXPENDITURES	<u>562,500</u>	<u>562,500</u>	<u>471,333</u>	<u>91,167</u>
Net Change in Fund Balance	(382,500)	(382,500)	(234,302)	148,198
Fund Balance at Beginning of Year	<u>439,618</u>	<u>439,618</u>	<u>613,122</u>	<u>173,504</u>
Fund Balance at End of Year	<u>\$ 57,118</u>	<u>\$ 57,118</u>	<u>\$ 378,820</u>	<u>\$ 321,702</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

TOWN OF CENTER, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
For the Year Ended December 31, 2023

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Lottery Proceeds	\$ 24,000	\$ 24,000	\$ 27,208	\$ 3,208
Miscellaneous Revenue	50	50	5,497	5,447
TOTAL REVENUES	<u>24,050</u>	<u>24,050</u>	<u>32,705</u>	<u>8,655</u>
EXPENDITURES				
Capital Outlay	104,500	104,500	19,968	84,532
TOTAL EXPENDITURES	<u>104,500</u>	<u>104,500</u>	<u>19,968</u>	<u>84,532</u>
Net Change in Fund Balance	(80,450)	(80,450)	12,737	93,187
Fund Balance at Beginning of Year	<u>102,572</u>	<u>102,572</u>	<u>109,433</u>	<u>6,861</u>
Fund Balance at End of Year	<u>\$ 22,122</u>	<u>\$ 22,122</u>	<u>\$ 122,170</u>	<u>\$ 100,048</u>

Notes to Required Supplementary Information

The basis of budgeting is the same as GAAP.

The schedule is presented on the GAAP basis.

TOWN OF CENTER, COLORADO
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)
FPPA SWDB PENSION PLAN
For the Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Town's proportion of the net pension liability (asset)	0.0288207441%	0.0285487144%	0.0266758154%	0.0239812949%	0.0383048016%	0.0484460021%	0.0540757033%	0.0446472349%	0.0459739921%	0.0487393230%
Town's proportionate share of the net pension liability (asset)	\$ 25,582	\$ (154,715)	\$ (57,913)	\$ (13,563)	\$ 48,428	\$ (69,697)	\$ 19,540	\$ (787)	\$ (51,885)	\$ (43,582)
Town's covered payroll	\$ 346,259	\$ 250,749	\$ 230,260	\$ 214,264	\$ 176,751	\$ 256,588	\$ 265,369	\$ 256,196	\$ 216,442	\$ 211,568
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	7.39%	-61.70%	-25.15%	-6.33%	27.40%	-27.16%	7.36%	-0.31%	-24%	-21%
Plan fiduciary net position as a percentage of the total pension liability	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%	105.8%

*The amounts presented were determined as of the calendar year-end.

TOWN OF CENTER, COLORADO
SCHEDULE OF TOWN CONTRIBUTIONS
FPPA SWDB PENSION PLAN
For the Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 32,823	\$ 22,567	\$ 19,535	\$ 17,141	\$ 14,140	\$ 21,655	\$ 22,670	\$ 21,135	\$ 17,315	\$ 16,540
Contributions in relation to the contractually required contribution	<u>(32,823)</u>	<u>(22,567)</u>	<u>(19,535)</u>	<u>(17,141)</u>	<u>(14,140)</u>	<u>(21,655)</u>	<u>(22,670)</u>	<u>(21,135)</u>	<u>(17,315)</u>	<u>(16,540)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	346,259	250,749	230,260	214,264	176,751	256,588	265,369	256,196	216,442	211,568
Contributions as a percentage of covered payroll	9.48%	9.00%	8.48%	8.00%	8.00%	8.44%	8.54%	8.25%	8.00%	7.82%

TOWN OF CENTER, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended December 31, 2023

NOTE 1 NET PENSION LIABILITY

Changes in assumptions or other inputs effective for the December 31st measurement period for the following years ended:

2022

- Post-retirement mortality assumptions were changed to the Pub-2010 Safely Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees.
- The municipal bond rate increased from 1.84 percent to 4.05 percent.

2021 There were no changes in assumptions or other inputs this measurement period compared to prior year.

2020 There were no changes in assumptions or other inputs this measurement period compared to prior year.

2019

- Reduced the real return rate from 5.00% to 4.50%, combined with an unchanged inflation rate of 2.5%, reduced the nominal investment assumption from 7.50% to 7.00%.
- Increased the productivity component of the salary scale assumption from 1.50% to 1.75%. Combined with the inflation rates of 2.50%, this creates an ultimate salary assumption of 4.25%.
- Removed the blue collar adjustment for the mortality tables being used and updated the mortality projection scale from Scale BB to the ultimate rates of the MP-2017 projection scale.
- Increased disability rates for members covered by a defined benefit program.
- Slightly modified retirement rates to reflect increased retirement utilization for low service members and slightly decreased the normal retirement rates after age 55.
- Limited the amortization period used to determine the Actuarially Determined Contribution Rate such that no negative amortization results (the payment always covers at least the interest on the unfunded liability).

2018

- The Long-Term Investment Rate of Return was lowered from 7.5% to 7.0%.
- Projected Salary Increases changed from 4.0%-14.0% to 4.25%-11.25%.
- Increase the expected incidence of Disability for members of FPPA's defined benefit plans.

2017 There were no changes in assumptions or other inputs this measurement period compared to prior year.

2016 There were no changes in assumptions or other inputs this measurement period compared to prior year.

2015

- The Inflation assumption was reduced from 3.0% to 2.5%.
- Added an explicit charge for administrative expenses in the actuarial contribution calculation.
- Revised the base mortality tables and the explicit assumption for increasing longevity in the future to reflect current mortality studies.
- Increase the expected incidence of Total Disability for members of FPPA's defined benefit plans.

TOWN OF CENTER, COLORADO
SUPPLEMENTARY INFORMATION

TOWN OF CENTER, COLORADO
SCHEDULE OF EXPENSES AND TRANSFERS OUT
ALL PROPRIETARY FUNDS
BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	BUDGETED AMOUNTS		EXPENSES	ADJUSTMENTS	EXPENSES	VARIANCE WITH
	ORIGINAL	FINAL	REPORTED ON	TO BUDGETARY	ON THE	FINAL BUDGET
			THE GAAP	BASIS	BUDGETARY	POSITIVE
			BASIS	BASIS	BASIS	(NEGATIVE)
Proprietary Funds						
Enterprise Funds						
Light and Power Fund	\$ 2,792,054	\$ 2,792,054	\$ 1,979,325	\$ 43,183	\$ 2,022,508	\$ 769,546
Natural Gas Fund	2,764,828	2,764,828	1,197,696	18,823	1,216,519	1,548,309
Water Fund	911,515	911,515	723,871	106,067	829,938	81,577
Total Enterprise Funds	<u>\$ 6,468,397</u>	<u>\$ 6,468,397</u>	<u>\$ 3,900,892</u>	<u>\$ 168,073</u>	<u>\$ 4,068,965</u>	<u>\$ 2,399,432</u>

Adjustments to budgetary basis include costs of capital asset activity, and debt payments.

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Center, Colorado
		YEAR ENDING : December 2023
This Information From The Records Of (example - City of _ or County of): Town of Center, CO	Prepared By: Phone:	Paula Martinez, Finance Bookkeeper 719-754-3497

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	466,178
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	2,946
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,207
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	327,896	c. Other	
4. Miscellaneous local receipts (from page 2)	23,283	d. Total (a. through c.)	2,207
5. Transfers from toll facilities		4. General administration & miscellaneous	81,029
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	88,682
a. Bonds - Original Issues		6. Total (1 through 5)	641,042
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	351,179	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	55,561	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	406,740	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)	641,042

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
	613,122	406,740	641,042	378,820	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2023

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	114,148	a. Interest on investments	23,283
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	213,748	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	213,748	h. Other	
c. Total (a. + b.)	327,896	i. Total (a. through h.)	23,283
	(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	55,561	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		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	55,561	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		466,178	466,178
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	466,178	466,178
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	466,178	466,178
			(Carry forward to page 1)

Notes and Comments: