TOWN OF MANASSA

BASIC FINANCIAL STATEMENTS

December 31, 2023

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FINANCIAL SECTION

Honorable Mayor and Board of Trustees
Town of Manassa
Manassa, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Manassa (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, each major fund, and the aggregate remaining fund information of the Town of Manassa as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows and the budgetary comparison schedules for the general and major special revenue funds, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Manassa, and to meet our 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 the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 28-31 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 (GASB) 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.

Management has not presented the management's discussion and analysis that governmental 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 opinion is not affected by this missing information.

Supplementary and Other 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 individual fund financial statements and State Compliance information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The individual fund financial statements and State Compliance have 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 fund financial statements and State Compliance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

August 22, 2024

BASIC FINANCIAL STATEMENTS

TOWN OF MANASSA

STATEMENT OF NET POSITION
As of December 31, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL 2023
ASSETS			
Cash and Investments	$ 276,328	$ 375,031	$ 651,359
Restricted Cash and Investments	104,365	88,366	192,731
Receivables			
Property Taxes	61,172	-	61,172
Sales and Other	45,993	-	45,993
Accounts	-	2,961	2,961
Interfund Amounts	314,186	(314,186)	-
Capital Assets, Not Depreciated	89,448	811,995	901,443
Capital Assets, Depreciated Net of Accumulated Depreciation	194,517	1,406,197	1,600,714
TOTAL ASSETS	1,086,009	2,370,364	3,456,373
DEFERRED OUTFLOWS OF RESOURCES			
Related to SWDB Pension	120,157	-	120,157
LIABILITIES			
Accounts Payable	632,534	25,062	657,596
Noncurrent Liabilities			
Net Pension Liability	8,933	-	8,933
Due within One Year	-	37,730	37,730
Due in More Than One Year	-	632,295	632,295
TOTAL LIABILITIES	641,467	695,087	1,336,554
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenues	61,172	-	61,172
Related to SWDB Pension	1,096	-	1,096
TOTAL DEFERRED INFLOWS OF RESOURCES	62,268	-	62,268
NET POSITION			
Investment in Capital Assets	283,965	1,585,897	1,869,862
Restricted for Emergencies	8,400	-	8,400
Restricted for Parks and Recreation	47,965	-	47,965
Unrestricted	162,101	89,380	251,481
TOTAL NET POSITION	$ 502,431	$ 1,675,277	$ 2,177,708

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

TOWN OF MANASSA

STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES CHARGES FOR SERVICES	PROGRAM REVENUES OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 166,418	$ 15,510	$ 13,499	$ -
Public Safety	(5,461)	-	-	-
Highways and Streets	45,469	-	-	-
Culture and Recreation	19,255	-	8,200	-
Interest on Long-Term Debt	-	-	-	-
Total Governmental Activities	225,681	15,510	21,699	-
Business-Type Activities				
Water	166,485	150,999	-	-
Sewer	228,134	186,582	-	-
Interest on Long-Term Debt	-	-	-	-
Total Business-Type Activities	394,619	337,581	-	-
Total Primary Government	$ 620,300	$ 353,091	$ 21,699	$ -

GENERAL REVENUES
Taxes
Interest
Other

TOTAL GENERAL REVENUES

CHANGE IN NET ASSETS

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL 2023
$ (137,409)	$ -	$ (137,409)
5,461	-	5,461
(45,469)	-	(45,469)
(11,055)	-	(11,055)
-	-	-
(188,472)	-	(188,472)
-	(15,486)	(15,486)
-	(41,552)	(41,552)
-	-	-
-	(57,038)	(57,038)
(188,472)	(57,038)	(245,510)
238,742	-	238,742
5,863	8,540	14,403
10,983	21,973	32,956
255,588	30,513	286,101
67,116	(26,525)	40,591
435,315	1,701,802	2,137,117
$ 502,431	$ 1,675,277	$ 2,177,708

TOWN OF MANASSA

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2023

	GENERAL FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Investments	$ 276,328	$ -	$ 276,328
Restricted Cash and Investments	56,365	48,000	104,365
Taxes Receivable	61,172	-	61,172
Accounts Receivable	45,805	188	45,993
Due from Other Funds	314,186	-	314,186
TOTAL ASSETS	$ 753,856	$ 48,188	$ 802,044
LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY			
LIABILITIES			
Accounts Payable	$ 632,311	$ 223	$ 632,534
Accrued Salaries and Benefits	-	-	-
Unearned Revenues	-	-	-
TOTAL LIABILITIES	632,311	223	632,534
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenues	61,172	-	61,172
FUND EQUITY			
Fund Balance			
Restricted for TABOR	8,400	-	8,400
Restricted for Culture and Recereation	-	47,965	47,965
Unassigned	51,973	-	51,973
TOTAL FUND BALANCE	60,373	47,965	108,338
TOTAL LIABILITIES, DEFERRED INFLOWS and FUND BALANCE	$ 753,856	$ 48,188	

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.	283,965
Long-term liabilities and related assets are not due and payable in the current period and are not reported in the funds. These include net pension liability of ($8,933), deferred outflows related to pensions $120,157, and deferred inflows related to pensions ($1,096).	110,128
Net position of governmental activities	$ 502,431

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

TOWN OF MANASSA

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	GENERAL FUND	CONSERVATION TRUST FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes	$ 238,742	$ -	$ 238,742
Intergovernmental	-	13,499	13,499
Fines and Forfeits	7,684	-	7,684
Charges for Services	15,510	-	15,510
Culture and Recreation	8,200	-	8,200
Interest	5,863	-	5,863
Miscellaneous	3,299	-	3,299
TOTAL REVENUES	279,298	13,499	292,797
EXPENDITURES			
General Government	166,418	-	166,418
Public Safety	101,150	-	101,150
Highways and Streets	18,989	-	18,989
Culture and Recreation	15,092	3,086	18,178
TOTAL EXPENDITURES	301,649	3,086	304,735
NET CHANGE IN FUND BALANCES	(22,351)	10,413	(11,938)
FUND BALANCES, Beginning	82,724	37,552	120,276
FUND BALANCES, Ending	$ 60,373	$ 47,965	$ 108,338
	-	-	

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

TOWN OF MANASSA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Net Changes in Fund Balances - Total Governmental Funds	$	(11,938)
Governmental funds report capital outlays 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 depreciation expense.		(31,074)
Deferred Charges related to pension are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.		110,128
Change in Net Assets of Governmental Activities	$	67,116

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

TOWN OF MANASSA

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
As of December 31, 2023

	WATER FUND	SEWER FUND	TOTAL
ASSETS			
Current Assets			
Cash and Investments	$ 91,982	$ 283,049	$ 375,031
Restricted Cash and Investments	88,366	-	88,366
Accounts Receivable	1,285	1,676	2,961
Total Current Assets	181,633	284,725	466,358
Noncurrent Assets			
Capital Assets, net of accumulated depreciation	461,670	1,756,522	2,218,192
TOTAL ASSETS	643,303	2,041,247	2,684,550
LIABILITIES			
Current Liabilities			
Accounts Payable	12,531	12,531	25,062
Due to Other Fuinds	-	314,186	314,186
Current Portion of Loans Payable	16,430	21,300	37,730
Total Current Liabilities	28,961	348,017	376,978
Noncurrent Liabilities			
Loans Payable	271,095	361,200	632,295
Total Noncurrent Liabilities	271,095	361,200	632,295
TOTAL LIABILITIES	300,056	709,217	1,009,273
NET POSITION			
Net Investment in Capital Assets	190,575	1,395,322	1,585,897
Unreserved	152,672	(63,292)	89,380
TOTAL NET POSITION	$ 343,247	$ 1,332,030	$ 1,675,277

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

TOWN OF MANASSA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2023

	WATER FUND	SEWER FUND	TOTAL
OPERATING REVENUES			
User Fees	$ 149,749	$ 185,532	$ 335,281
Tap Fees	1,250	1,050	2,300
Other Revenues	1,628	20,345	21,973
TOTAL OPERATING REVENUES	152,627	206,927	359,554
OPERATING EXPENSES			
Operations	81,484	44,102	125,586
General and Administrative	30,140	30,297	60,437
Depreciation Expense	32,518	76,761	109,279
Miscellaneous	22,343	76,974	99,317
TOTAL OPERATING EXPENSES	166,485	228,134	394,619
OPERATING INCOME	(13,858)	(21,207)	(35,065)
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	2,057	6,483	8,540
TOTAL NON-OPERATING REVENUES (EXPENSES)	2,057	6,483	8,540
NET INCOME	(11,801)	(14,724)	(26,525)
NET POSITION, Beginning	355,048	1,346,754	1,701,802
NET POSITION, Ending	$ 343,247	$ 1,332,030	$ 1,675,277

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

TOWN OF MANASSA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
Year Ended December 31, 2023
Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	SEWER FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	$ 152,627	$ 521,113	$ 673,740
Cash Paid to Suppliers	(101,596)	(118,605)	(220,201)
Cash Paid to Employees	(37,666)	(37,614)	(75,280)
Net Cash Provided by Operating Activities	13,365	364,894	378,259
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIV			
Purchase of Capital Assets	-	(442,001)	(442,001)
Loan Payments	(16,430)	(20,400)	(36,830)
Net Cash Used by Capital and Related Financing Activities	(16,430)	(462,401)	(478,831)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received	2,057	6,483	8,540
Net Cash Provided by Investing Activities	2,057	6,483	8,540
Net Increase (Decrease) in Cash and Cash Equivalents	(1,008)	(91,024)	(92,032)
CASH AND CASH EQUIVALENTS, Beginning	181,356	374,073	555,429
CASH AND CASH EQUIVALENTS, Ending	$ 180,348	$ 283,049	$ 463,397
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	$ (13,858)	$ (21,207)	$ (35,065)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation and Amortization	32,518	76,761	109,279
Changes in Assets and Liabilities			
Accounts Payable	(4,843)	(4,846)	(9,689)
Due to Other Funds	-	314,186	314,186
Deferred Revenues	(452)	-	(452)
Total Adjustments	27,223	386,101	304,045
Net Cash Provided by Operating Activities	$ 13,365	$ 364,894	$ 378,259

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

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The Town was incorporated in 1889, and became a statutory town under State Statute (CRS 31-1-101). The Town operates under Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, culture and recreation, planning and zoning, water and sewer systems, and general administrative services.

The accounting policies of the Town of Manassa (the "Town") conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the Town of Manassa has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based upon the application of these criteria, the following organization is included in the Town's reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

Government-Wide and Fund Financial Statements (Continued)

Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

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

In the fund financial statements, the Town reports the following major governmental funds:

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

The *Conservation Trust Fund* accounts for revenues and expenditures which may only be used for park and recreation expenditures.

The Town reports the following major proprietary fund:

The *Water Fund* accounts for the financial activities associated with the provision of water services.

The *Sewer Fund* accounts for the financial activities associated with the provision of sewer services.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Investments are recorded at fair value.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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.

NOTE 1: *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES* (Continued)

Capital Assets (Continued)

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 - 50 years
Water System	25 - 50 years
Sewer System	25 - 50 years
Machinery and Equipment	5 - 10 years
Vehicles	5 - 10 years
Infrastructure	10 - 30 years

Deferred Outflows/Inflows of Resources

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

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

Unearned Revenues

Unearned revenues include grant or other funds that have been collected but the corresponding expenditures have not been incurred.

Long-Term Obligations

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

Net Position

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

NOTE 1: ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*** (Continued)

Net Position (Continued)

Net Investment in Capital Assets - is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position - are liquid assets, which have third party limitations on their use.

Unrestricted Net Position - represents assets that do not have any third-party limitation on their use. While Town management may have categorized and segmented portion for various purposes, the Town Council has the unrestricted authority to revisit or alter these managerial decisions.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – amounts that cannot be spent because they are either not in a spendable form (such as inventories, deposits, and prepaid amounts) or are legally or contractually required to be maintained intact. The Town has does not report any resources as nonspendable as of December 31, 2023.

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The Town has also restricted the fund balance of the Conservation Trust because their use is restricted by the State for parks and recreation.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

- This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town does not have any committed resources as of December 31, 2023.

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

NOTE 2: ***STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY***

Budgets and Budgetary Accounting

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

- In October, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

- Public hearings are conducted to obtain taxpayer comments.

NOTE 2: ***STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY*** (Continued)

Budgets and Budgetary Accounting (Continued)

- Prior to December 31, the budget is legally enacted through passage of a resolution.

- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.

- Budgets are legally adopted for all funds of the Town. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the Enterprise Fund is presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures.

- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Legal Compliance

The actual expenditures of the Water and Sewer funds exceeded the budgeted amounts by $4,400 and $412,912, respectively. This may be a violation of State statutes.

NOTE 3: ***DEPOSITS AND INVESTMENTS***

A summary of deposits and investments as of December 31, 2023 follows:

Petty Cash	$	148
Cash Deposits		629,442
Investments		214,500
Total	**$**	**844,090**

Cash and investments are reported in the financial statements as follows:

Governmental Activities – Unrestricted	$	276,328
Governmental Activities – Restricted		104,365
Business-type Activities – Unrestricted		375,031
Business-type Activities – Restricted		88,366
Total	**$**	**844,090**

NOTE 3: ***DEPOSITS AND INVESTMENTS*** (Continued)

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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. At December 31, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The Town has no policy regarding custodial credit risk for deposits.

At December 31, 2023, the Town had deposits with financial institutions with a carrying amount of $629,442. The bank balances with the financial institutions were $593,725. Of these balances, $285,500 was covered by federal depository insurance and $308,225 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

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

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

NOTE 3: ***DEPOSITS AND INVESTMENTS*** (Continued)

The above investments are authorized for all funds and fund types used by Colorado municipalities.

Local Government Investment Pools

The Town invested $214,500 in Money Market Mutual Funds. The Funds invest only in government securities as defined under the Investment Company Act of 1940 (the "1940 Act"), as amended. The Fund intends to be a government money market fund as defined under Rule 2a-7 under the 1940 Act. The fair value of investments in the fund is based on the published net asset values per share of those funds and is maintained at a stable net asset value of $1.00 per share. The fund values its securities using amortized cost.

Restricted Cash

Cash in the amount of $104,365 was restricted for park and recreation expenditures in the General and Conservation Trust Funds. Cash in the amount of $88,366 was restricted for debt service in the Water and Sewer funds.

NOTE 4: ***CAPITAL ASSETS***

Capital assets activity for the year ended December 31, 2023 is summarized below:

	Balances 12/31/2022	Additions	Deletions	Balances 12/31/2023
Governmental Activities				
Capital Assets, not depreciated				
Land	$ 26,703	$ -	$ -	$ 26,703
Construction in Progress	62,745	-	-	62,745
Total Capital Assets, not depreciated	89,448	-	-	89,448
Capital Assets, depreciated				
Land Improvements	120,251	-	-	120,251
Buildings and Improvements	115,962	-	-	115,962
Vehicles and Equipment	163,451	-	-	163,451
Total Capital Assets, depreciated	399,664	-	-	399,664
Less Accumulated Depreciation				
Land Improvements	52,588	6,141	-	58,729
Buildings and Improvements	65,579	958	-	66,537
Vehicles and Equipment	55,906	23,975	-	79,881
Total Accumulated Depreciation	174,043	31,074	-	205,147
Total Capital Assets, depreciated, Net	225,591	(31,074)	-	194,517
Governmental Activities, Capital Assets, Net	**$ 315,039**	**$ (31,074)**	**$ -**	**$ 283,965**

NOTE 4: ***CAPITAL ASSETS*** (Continued)

	Balances 12/31/2022	Additions	Deletions	Balances 12/31/2023
Business-Type Activities				
Capital Assets, not depreciated				
Water Rights	$ 49,950	$ -	$ -	$ 49,950
Construction in Progress	320,044	442,001	-	762,045
Total Capital Assets, not depreciated	369,994	442,001	-	811,995
Capital Assets, depreciated				
Buildings and Improvements	36,946	-	-	36,946
Water System	1,259,842	-	-	1,259,942
Sewer System	3,178,924	-	-	3,178,924
Machinery, Equipment, and Vehicles	122,239	-	-	122,239
Less: Accumulated Depreciation	(3,082,475)	(109,279)	-	(3,191,754)
Total Capital Assets, depreciated, Net	1,515,476	(109,279)	-	1,406,197
Business-Type Activities, Capital Assets, Net	**$ 1,885,470**	**$ 332,722**	**$ -**	**$ 2,218,192**

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

Governmental Activities	
Highways and Streets	$ 26,480
Public Safety	3,517
Culture and Recreation	1,077
Total	**$ 31,074**
Business-type Activities	
Water	$ 32,518
Sewer	76,761
Total	**$ 109,279**

NOTE 5: ***LONG-TERM DEBT***

Business-type Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2023.

	Balance 12/31/2022	Additions	Payments	Balance 12/31/2023	Due In One Year
2011 CWRPDA Loan	$ 303,955	$ -	$ 16,430	$ 287,525	$ 16,430
FmHA Bonds	402,900	-	20,400	382,500	21,300
Total	**$ 706,855**	**$ -**	**$ 36,830**	**$ 670,025**	**$ 37,730**

1996 Revenue Bonds

In March 1996, the Town issued $710,000 in Sewer Revenue Bonds for the improvement of the existing sanitary sewer system. Principal payments are due semi-annually on January 1 and July 1. Interest payments are due semi-annually on January 1 and July 1, through July 1, 2036. Interest accrues at rate of 4.5%.

2011 CWRPDA Loan

In January2011, the Town received a Drinking Water Revolving Fund Direct Loan from the Colorado Water Resources & Power Development Authority in the amount of $492,900, maturing in 30 years with an interest rate of 0%. The purpose of the loan is to upgrade the existing water system. Principal payments are due semi-annually on May 1, and November 1.

2022 WPCRF Loan

In May 2022, the Town received a Water Pollution Control Revolving Fund Direct Loan from the Colorado Water Resources & Power Development Authority in the amount of $351,834, maturing in 30 years with an interest rate of 1.5%. The purpose of the loan is to upgrade the existing sewer collection system. This a reimbursement-based loan, and as of December 31, 2023, no amounts have been drawn on the loan. Once there is a balance, principal payments are due semi-annually on May 1, and November 1.

NOTE 5: ***LONG-TERM DEBT*** (Continued)

Business-type Activities (Continued)

Future Debt Service Requirements

Annual debt service requirements for the long-term debt, at December 31, 2023 are as follows:

Year Ended December 31,	Principal	Interest	Total
2024	$ 37,730	$ 16,976	$ 54,706
2025	38,730	16,007	54,737
2026	39,730	14,992	54,722
2027	40,730	13,932	54,662
2028	41,930	13,385	55,315
2029 – 2033	228,150	45,617	273,767
2034 – 2038	201,950	10,446	212,396
2029 - 2042	41,075	-	41,075
Total	**$ 670,025**	**$ 131,355**	**$ 801,380**

NOTE 6: ***RISK MANAGEMENT***

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Town purchases commercial insurance for these risks of loss. Settled claims have not exceeded insurance coverage in the last three years.

NOTE 7: ***COMMITMENTS AND CONTINGENCIES***

Tabor Amendment

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 government. On November 5, 1996, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town in 1996 and subsequent years for street improvement projects, capital projects, basic municipal services and/or lawful municipal purposes, notwithstanding the provisions of the Amendment.

NOTE 7: ***COMMITMENTS AND CONTINGENCIES*** (Continued)

Tabor Amendment (Continued)

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, the emergency reserve of $8,400 was recorded in the General Fund.

NOTE 8: DEFINED BENEFIT PENSION PLANS

Statewide Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. The Town contributes to the Statewide Defined Benefit Pension Plan ("SWDB Plan"), a cost-sharing multiple-employer defined benefit pension plan, which is administered by the FPPA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting.

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

General Information about the Pension Plan

Plan description. The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA's Pension Fund Board of Trustees. Colorado Revised Statutes ("CRS"), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly-available financial report that includes the assets of the SWDB Plan. That report may be obtained on FPPA's website at http://www.fppaco.org.

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan (Continued)

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

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

Contributions. The SWDB 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. Effective January 1, 2023, 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 2023 to a total of 12 percent of pensionable earnings. Employer contributions are 9 percent in 2022 and 9.5 percent in 2023. 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 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.

NOTE 8: <u>DEFINED BENEFIT PENSION PLANS</u> (Continued)

<u>Statewide Defined Benefit Pension Plan</u> (Continued)

General Information about the Pension Plan (Continued)

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

Pension 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 in the amount of $8,933 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023. Standard update procedures were used to roll forward the total pension liability to December 31, 2023. The Town's proportion of the net pension liability was based on the Town's contributions to the SWDB Plan for the calendar year 2022 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2022, the Town's proportion was 0.01006%, which was an increase of 0.01006% from its proportion measured as of December 31, 2021.

NOTE 8: <u>DEFINED BENEFIT PENSION PLANS</u> (Continued)

<u>Statewide Defined Benefit Pension Plan</u> (Continued)

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

For the year ended December 31, 2023, the Town recognized a pension income of $102,695. 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	$19,366	$1,096
Net difference between projected and actual earnings on pension plan investments	$20,214	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	$61,730	N/A
Change in assumptions and other inputs	$11,444	N/A
Contributions subsequent to the measurement date	$7,433	N/A
Total	**$120,157**	**$1,096**

$7,433 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 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	
2024	$11,893
2025	$15,711
2026	$19,222
2027	$23,844
2028	$10,635
Thereafter	$30,293

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

Actuarial assumptions. The actuarial valuations for the SWBP 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 assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2023
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2022
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.0 percent
Projected salary increases*	4.25-11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 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 to 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.

For determining the 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 projections 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.

NOTE 8: <u>DEFINED BENEFIT PENSION PLANS</u> (Continued)

<u>Statewide Defined Benefit Pension Plan</u> (Continued)

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

At least every five years, the Fire & Police Pension Association'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 & Co., 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 (assumed at 2.5 percent). 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:

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Global Equity	35.00%	8.93%
Equity Long/Short	6.00%	7.47%
Private Markets	34.00%	10.31%
Fixed Income - Rates	10.00%	5.45%
Fixed Income - Credit	5.00%	6.90%
Absolute Return	9.00%	6.49%
Cash	1.00%	3.92%
Total	100.00%	

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 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.

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

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

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.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	$61,580	$8,933	($34,677)

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

NOTE 9: *SUBSEQUENT EVENTS*

Potential subsequent events were considered through August 22, 2024. It was determined that no events are required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MANASSA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2023

	2023			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Taxes	$ 158,308	$ 158,308	$ 238,742	$ 80,434
Intergovernmental	187,020	291,463	-	(291,463)
Licenses and Permits	550	550	-	(550)
Fines and Forfeits	10,100	10,100	7,684	(2,416)
Charges for Services	14,600	14,600	15,510	910
Culture and Recreation	6,300	6,300	8,200	1,900
Interest	2,100	2,100	5,863	3,763
Miscellaneous	-	-	3,299	3,299
TOTAL REVENUES	378,978	483,421	279,298	(204,123)
EXPENDITURES				
General Government	103,045	154,058	166,418	(12,360)
Public Safety	102,166	102,166	101,150	1,016
Highways and Streets	22,338	22,338	18,989	3,349
Culture and Recreation	23,973	23,973	15,092	8,881
Capital Outlay	63,000	63,000	-	63,000
TOTAL EXPENDITURES	314,522	365,535	301,649	63,886
CHANGE IN FUND BALANCE	64,456	117,886	(22,351)	(140,237)
FUND BALANCE, Beginning	260,510	260,510	82,724	(177,786)
FUND BALANCE, Ending	$ 324,966	$ 378,396	$ 60,373	$ (318,023)

See the accompanying independent auditors' report.

TOWN OF MANASSA

CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2023

	2023		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Intergovernmental	$ 11,500	$ 13,499	$ 1,999
TOTAL REVENUES	11,500	13,499	1,999
EXPENDITURES			
Culture and Recreation	11,350	3,086	8,264
Capital Outlay	9,000	-	9,000
TOTAL EXPENDITURES	20,350	3,086	17,264
CHANGE IN FUND BALANCE	(8,850)	10,413	19,263
FUND BALANCE, Beginning	37,789	37,552	(237)
FUND BALANCE, Ending	$ 28,939	$ 47,965	$ 19,026

See the accompanying independent auditors' report.

TOWN OF MANASSA

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	2022
Town's proportionate share of the Net Pension Liability (Asset)	0.010%
Town's proportionate share of the Net Pension Liability (Asset)	$ 8,933
Town's covered payroll	$ 92,706
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	9.6%
Plan fiduciary net position as a percentage of the total pension liability	97.6%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

TOWN OF MANASSA

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	2022	2023
Statutorily required contributions	$ 7,880	$ 7,433
Contributions in relation to the statutorily required contributions	7,880	7,433
Contribution deficiency (excess)	$ -	$ -
Town's covered payroll	$ 92,706	$ 82,589
Contributions as a percentage of covered payroll	8.50%	9.00%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

INDIVIDUAL FUND SCHEDULES

TOWN OF MANASSA

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2023

	2023		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
User Fees	$ 150,779	$ 149,749	$ (1,030)
Tap Fees	500	1,250	750
Interest	2,700	2,057	(643)
Other	10,100	1,628	(8,472)
TOTAL REVENUES	164,079	154,684	(9,395)
EXPENDITURES			
Operations	76,628	81,484	(4,856)
General and Administrative	27,969	30,140	(2,171)
Miscellaneous	24,900	22,343	2,557
Debt Service			
Principal	16,500	16,430	70
Interest	-	-	-
TOTAL EXPENDITURES	145,997	150,397	(4,400)
NET INCOME, Budget Basis	$ 18,082	4,287	$ (13,795)
GAAP BASIS ADJUSTMENTS			
Depreciation Expense		(32,518)	
Principal Paid on Long-Term Debt		16,430	
NET INCOME, GAAP Basis		(11,801)	
NET ASSETS, Beginning		355,048	
NET ASSETS, Ending		$ 343,247	

See the accompanying independent auditors' report.

TOWN OF MANASSA

SEWER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2023

	2023			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
User Fees	$ 185,028	$ 185,028	$ 185,532	$ 504
Tap Fees	500	500	1,050	550
Interest	3,400	3,400	6,483	3,083
Other	100	70,629	20,345	(50,284)
TOTAL REVENUES	189,028	259,557	213,410	(46,147)
EXPENDITURES				
Operations	51,960	87,380	44,102	43,278
General and Administrative	41,536	41,536	30,297	11,239
Miscellaneous	16,720	16,720	76,974	(60,254)
Debt Service				
Principal	40,218	40,218	20,400	19,818
Capital Outlay	15,000	15,000	442,003	(427,003)
TOTAL EXPENDITURES	165,434	200,854	613,776	(412,922)
NET INCOME, Budget Basis	$ 23,594	$ 58,703	(400,366)	$ (459,069)
GAAP BASIS ADJUSTMENTS				
Capital Outlay			442,003	
Depreciation Expense			(76,761)	
Principal Paid on Long-Term Debt			20,400	
NET INCOME, GAAP Basis			(14,724)	
NET ASSETS, Beginning			1,346,754	
NET ASSETS, Ending			$ 1,332,030	

See the accompanying independent auditors' report.

STATE COMPLIANCE

Form Approved
OMB No. 2125-0032

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

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 2023
This Information From The Records Of: Town Of Manassa	Prepared By: Tamera Smith

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	
3. Other local imposts (from page 2)	$ 41,399.99
4. Miscellaneous local receipts (from page 2)	$ 7,629.00
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	$ -
7. Total (1 through 6)	$ 49,028.99
B. Private Contributions	
C. Receipts from State government (from page 2)	$ 57,335.08
D. Receipts from Federal Government (from page 2)	$ 60,668.25
E. Total receipts (A.7 + B + C + D)	$ 167,032.32

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	$ 60,668.25
2. Maintenance:	$ 24,233.04
3. Road and street services:	
a. Traffic control operations	$ 522.33
b. Snow and ice removal	
c. Other	
d. Total (a. through c.)	$ 522.33
4. General administration & miscellaneous	$ 1,560.00
5. Highway law enforcement and safety	$ 80,048.70
6. Total (1 through 5)	$ 167,032.32
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
3. Total (1.c + 2.c)	$ -
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	$ 167,032.32

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
$ -	$ 167,032.32	$ 167,032.32	$ -	$ -

Notes and Comments:

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LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 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 Assesments	$ 25,121.07	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	$ 7,629.00
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	$ 16,278.92	g. Other Misc. Receipts	
6. Total (1. through 5.)	$ 16,278.92	h. Other	
c. Total (a. + b.)	$ 41,399.99	i. Total (a. through h.)	$ 7,629.00
(Carry forward to page 1)		***(Carry forward to page 1)***	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes (from Item I.C.5.)	$ 57,335.08	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 Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA/CDBG	$ 60,668.25
f. Total (a. through e.)	$ -	g. Total (a. through f.)	$ 60,668.25
4. Total (1. + 2. + 3.f)	$ 57,335.08	3. Total (1. + 2.g)	$ 60,668.25
(Carry forward to page 1)		***(Carry forward to page 1)***	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			$ -
b. Engineering Costs			$ -
c. Construction:			
(1). New Facilities			$ -
(2). Capacity Improvements			$ -
(3). System Preservation		$ 60,668.25	$ 60,668.25
(4). System Enhancement And Operation			$ -
(5). Total Construction (1)+(2)+(3)+(4)	$ -	$ 60,668.25	$ 60,668.25
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ -	$ 60,668.25	$ 60,668.25
(Carry forward to page 1)			

Notes and Comments:

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