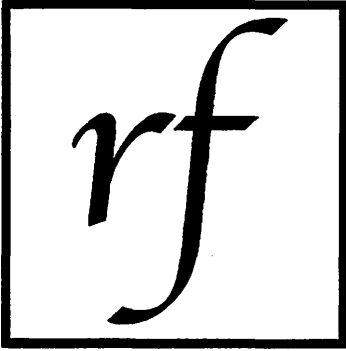




Town of La Veta, Colorado
Financial Statements
December 31, 2024

Town of La Veta, Colorado
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December 31, 2024

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Independent Auditor's Report

Town Council
Town of La Veta
La Veta, CO

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of Town of La Veta (the "Town"), as of and for the year ended December 31, 2024, 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 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Town as of December 31, 2024, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a

going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages ii through ix and pages 33 through 35, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying supplementary information on pages 37 through 40 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. Such 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc

September 9, 2025

Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2024

As management of the Town of La Veta, we offer readers of the Town of La Veta's financial statements this narrative overview and analysis of the financial activities of the Town of La Veta for the fiscal year ended December 31, 2024. The focus of the information is on the primary government (general) fund. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town of La Veta's financial statements, which follow this narrative.

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

Financial Highlights

- The assets of the Town of La Veta exceeded its liabilities at the close of the fiscal year by \$13,332,989 (net assets).
- The government's total net assets increased by \$322,790 primarily due to increases in the government and business type activities net assets.
- As of the close of the current fiscal year, the Town of La Veta's governmental funds reported combined ending fund balances of \$4,403,799.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,551,413.00 for the fiscal year.

Overview of the Financial Statements

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2024

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

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

Fund Financial Statements

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

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

The Town adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language,

Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2024

and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

Government-Wide Financial Analysis

The government-wide financial statements for the fiscal year ended December 31, 2004 are the beginning of a new era in financial reporting for the Town of La Veta and many other units of government across the United States. Prior to this year, the Town of La Veta maintained their governmental and proprietary fund groups as two separate and very distinct types of accounting without any type of consolidated statement that accurately reflected the operations and net assets of the government as a whole. There was a total column that appeared on the financial statements, but it was a memorandum total only. No attempt was made to adjust the statements in such a way that the total column would represent the overall financial condition of the Town of La Veta. These statements were basically the equivalent of the fund financial statements that appeared in the report with fiduciary funds and two account groups, the long-term debt and the general fixed assets, added in.

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

**Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2024**

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

**Table 1
Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and Other Assets	\$ 1,891,418	\$ 2,429,740	\$ 3,302,139	\$ 3,245,079	\$ 5,193,557	\$ 5,674,819
Capital Assets – Net	2,565,816	2,228,416	9,879,805	9,613,227	12,445,621	11,841,643
Total Assets	4,457,234	4,658,156	13,181,944	12,858,306	17,639,178	17,516,462
Deferred Outflows	35,539	48,987	-	-	35,539	48,987
Liabilities						
Current and Other Liabilities	10,106	27,335	148,321	16,673	158,427	44,008
Long Term Liabilities	25,877	31,342	4,104,433	4,296,398	4,130,310	4,327,740
Total Liabilities	35,983	58,677	4,252,754	4,313,071	4,324,276	4,371,748
Deferred Inflows	60,858	183,502	-	-	60,858	183,502
Net Position						
Invested in capital assets, net of related debt	2,565,816	2,228,416	5,775,371	5,329,536	8,341,187	7,557,952
Restricted for:						
Recreation	351,218	81,869	-	-	351,218	81,869
Debt	-	-	-	123,237	-	123,237
Tabor Reserve	50,000	26,844	-	-	50,000	26,844
Streets and Sidewalks	735,355	777,539	-	-	735,355	777,539
Museum	292,247	292,247	-	-	292,247	292,247
Unrestricted	401,296	1,058,049	3,153,819	3,092,462	3,555,115	4,150,511
	\$ 4,395,932	\$ 4,464,964	\$ 8,929,190	\$ 8,545,235	\$ 13,325,122	\$ 13,010,199

Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2024

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Property taxes	\$ 58,251	\$ 47,153	\$ -	\$ -	\$ 58,251	\$ 47,153
Specific ownership taxes	4,658	4,738	-	-	4,658	4,738
Sales and use taxes	699,425	632,234	-	-	699,425	632,234
Franchise taxes	32,014	28,581	-	-	32,014	28,581
Highway user taxes	52,769	46,248	-	-	52,769	46,248
Other taxes	49,694	111,367	-	-	49,694	111,367
Earnings on investments	38,401	7,709	71,802	5,354	110,203	13,063
Other revenues	68,178	53,326	2,514	39,518	70,692	92,844
Charges for services	36,088	48,107	831,103	853,462	867,191	901,569
Operating grants	64,670	6,095	-	35,000	64,670	41,095
Capital grants	188,806	-	247,000	-	435,806	-
Total Revenues	1,292,954	985,558	1,152,419	933,334	2,445,373	1,918,892
Expenses						
Administrative	472,069	379,884	-	-	472,069	379,884
Public Works	455,593	312,074	-	-	455,593	312,074
Public Safety	125,506	100,077	-	-	125,506	100,077
Community Service	167,276	136,470	-	-	167,276	136,470
Sewer Fund	-	-	406,485	323,563	406,485	323,563
Water Fund	-	-	370,780	336,688	370,780	336,688
Capital outlay	439,179	-	-	-	439,179	-
Total Expenses	1,659,623	928,505	777,265	660,251	2,436,888	1,588,756
Increase (Decrease) in Net Position	(366,669)	57,053	375,154	273,083	8,485	330,136

Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2024

Governmental Activities

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

Table 3
Government Activities
(Net of Depreciation)

Governmental Activities by Major Function	2024		2023	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Administrative	\$ 498,759	\$(182,169)	\$379,884	\$(331,948)
Public Works	527,062	(527,062)	312,074	(312,074)
Public Safety	127,257	(127,257)	100,077	(100,077)
Community Service	169,147	(132,415)	136,470	(130,204)
Total	\$ 1,322,225	\$(968,903)	\$928,505	\$(874,303)

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

Business-Type Activities

Business-type activities are made up the water and sewer funds. These programs had revenues of \$833,617 and expenses of \$748,716.

Financial Analysis of the Town's Funds

General Fund Budgetary Highlights

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

Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2024

Capital Assets and Debt Administration

Capital Assets

The Town's net investment in capital assets for its governmental and business-type activities as of December 31, 2024 amounts to \$13,332,989

**Table 4
Capital Assets**

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 928,044	\$ 410,956	\$ -	\$ 1,339,000
Total capital assets not being depreciated	<u>928,044</u>	<u>410,956</u>	<u>-</u>	<u>1,339,000</u>
Capital assets being depreciated:				
Buildings	1,018,692	-	-	1,018,692
Equipment	697,161	28,223	-	725,384
Site Improvements	1,814,902	-	-	1,814,902
Total capital assets being depreciated:	<u>3,530,755</u>	<u>28,223</u>	<u>-</u>	<u>3,558,978</u>
Less accumulated depreciation for:				
Buildings	(711,480)	(28,560)	-	(740,040)
Equipment	(593,889)	(20,548)	-	(614,437)
Site Improvements	(925,014)	(52,671)	-	(977,685)
Total accumulated depreciation	<u>(2,230,383)</u>	<u>(101,779)</u>	<u>-</u>	<u>(2,332,162)</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,228,416</u>	<u>\$ 337,400</u>	<u>\$ -</u>	<u>\$ 2,565,816</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land and Water Rights	\$ 520,711	\$ -	\$ -	\$ 520,711
Construction in Progress	6,082,624	390,374	-	6,472,998
Total Capital assets not being depreciated	<u>6,603,335</u>	<u>390,374</u>	<u>-</u>	<u>6,993,709</u>
Capital assets being depreciated:				
Building and Systems	6,589,916	20,544	-	6,610,460
Total capital assets being depreciated:	<u>6,589,916</u>	<u>20,544</u>	<u>-</u>	<u>6,610,460</u>
Less accumulated depreciation for:				
Building and Systems	(3,580,024)	(144,342)	2	(3,724,364)
Total accumulated depreciation	<u>(3,580,024)</u>	<u>(144,342)</u>	<u>2</u>	<u>(3,724,364)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 9,613,227</u>	<u>\$ 266,576</u>	<u>\$ 2</u>	<u>\$ 9,879,805</u>

At year-end, the Town had \$4,104,433 in water and sewer loans

**Town of La Veta
Management's Discussion and Analysis
For the Fiscal Year Ended December 31, 2024**

**Table 5
Long-Term Debt:**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Water Fund					
Note Payable Colorado Water Res-2008	\$ 671,422	\$ -	\$ (37,705)	\$ 633,717	\$ 38,415
Colorado Water Conservation Loan-2014	244,515	-	(11,679)	232,836	12,029
Total Water Fund	<u>915,937</u>	<u>-</u>	<u>(49,384)</u>	<u>866,553</u>	<u>50,444</u>
Sewer Fund					
Water Pollution Revolving Fund Loan-2014	148,500	-	(13,500)	135,000	13,500
Water Pollution Revolving Fund Loan-2015	69,000	-	(6,000)	63,000	6,000
Water Pollution Revolving Fund Loan-2018	1,375,000	-	(50,000)	1,325,000	50,000
Water Pollution Revolving Fund Loan-2020	1,775,254	-	(60,374)	1,714,880	60,676
Total Sewer Fund	<u>3,367,754</u>	<u>-</u>	<u>(129,874)</u>	<u>3,237,880</u>	<u>130,176</u>
Total	<u>\$ 4,283,691</u>	<u>\$ -</u>	<u>\$ (179,258)</u>	<u>\$ 4,104,433</u>	<u>\$180,620</u>

Economic Factors Bearing on the Town's Future

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

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

Contacting the Town's Financial Management

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

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

Basic Financial Statements

**Town of La Veta
Statement of Net Position
December 31, 2024**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,748,726	\$ 3,225,505	\$ 4,974,231
Receivables	142,692	67,366	210,058
Inventories	-	9,268	9,268
Non-Current Assets:			
Capital asset, not being depreciated:			
Water rights, land, system enhancement fees	1,339,000	520,711	1,859,711
Construction in progress	-	324,024	324,024
Capital asset, net of accumulated depreciation	1,226,816	9,035,070	10,261,886
Total Non-Current Assets	<u>2,565,816</u>	<u>9,879,805</u>	<u>12,445,621</u>
Deferred outflow of resources:			
Pensions	35,539	-	35,539
Total Assets	<u>4,492,773</u>	<u>13,181,944</u>	<u>17,674,717</u>
LIABILITIES			
Accounts payable	10,106	139,640	149,746
Accrued wages and benefits	-	8,681	8,681
Long-term liabilities:			
Due within one year:			
Loans payable	-	119,944	119,944
Due in more than one year:			
Loans payable	-	3,984,489	3,984,489
Compensated absences	25,877	-	25,877
Total liabilities	<u>35,983</u>	<u>4,252,754</u>	<u>4,288,737</u>
Deferred inflow of resources:			
Pensions	555	-	555
Deferred property taxes	60,303	-	60,303
Total deferred inflows	<u>60,858</u>	<u>-</u>	<u>60,858</u>
NET POSITION			
Net investment in capital assets	2,565,816	5,775,371	8,341,187
Restricted for:			
TABOR	50,000	-	50,000
Museum	292,247	-	292,247
Streets and sidewalks	735,355	-	735,355
Culture and recreation	351,218	-	351,218
Unrestricted	401,296	3,153,819	3,555,115
Total net position	<u>\$ 4,395,932</u>	<u>\$ 8,929,190</u>	<u>\$ 13,325,122</u>

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

**Town of La Veta
Statement of Activities
For the Year Ended December 31, 2024**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government							
Governmental Activities							
General Government	\$ 504,055	\$ 77,207	\$ 231,709	\$ -	\$ (195,139)	\$ -	\$ (195,139)
Public Safety	127,257	-	-	-	(127,257)	-	(127,257)
Public Works	527,062	-	-	-	(527,062)	-	(527,062)
Culture, Recreation and Parks	169,147	14,965	21,767	-	(132,415)	-	(132,415)
Total governmental activities	<u>1,327,521</u>	<u>92,172</u>	<u>253,476</u>	<u>-</u>	<u>(981,873)</u>	<u>-</u>	<u>(981,873)</u>
Business-type activities:							
Water	370,780	401,942	-	240,000	-	271,162	271,162
Sewer Fund	397,683	429,161	-	-	-	31,478	31,478
Total business-type activities	<u>768,463</u>	<u>831,103</u>	<u>-</u>	<u>240,000</u>	<u>-</u>	<u>302,640</u>	<u>302,640</u>
Total primary government	<u><u>2,095,984</u></u>	<u><u>923,275</u></u>	<u><u>253,476</u></u>	<u><u>240,000</u></u>	<u><u>(981,873)</u></u>	<u><u>302,640</u></u>	<u><u>(679,233)</u></u>
General revenues:							
Taxes:							
Property taxes, including SO taxes					\$ 58,251	\$ -	\$ 58,251
Sales and use taxes					699,425	-	699,425
Franchise fees					32,014	-	32,014
Miscellaneous revenues including highway users trust fund					66,000	-	66,000
Unrestricted investment earnings					38,401	71,802	110,203
Miscellaneous					45,250	9,514	54,764
Total general revenues, special items, and transfers					<u>939,341</u>	<u>81,316</u>	<u>1,020,657</u>
Change in net position					(42,532)	383,956	341,424
Net position - beginning					4,438,464	8,545,234	12,983,698
Net position - ending					<u><u>\$ 4,395,932</u></u>	<u><u>\$ 8,929,190</u></u>	<u><u>\$ 13,325,122</u></u>

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

**Town of La Veta
Balance Sheet
Governmental Funds
December 31, 2024**

	General Fund	Museum Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,489,817	\$ 258,909	\$ 1,748,726
Taxes receivable, net	60,303	-	60,303
Due from other funds	-	10,908	10,908
Other receivables	82,389	-	82,389
Total assets	1,632,509	269,817	1,902,326
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	9,887	219	10,106
Due to other funds	10,907	-	10,907
Total liabilities	20,794	219	21,013
Deferred inflow of resources:			
Deferred property taxes	60,303	-	60,303
Fund balances:			
Restricted:			
TABOR	50,000	-	50,000
Museum	292,247	-	292,247
Streets and sidewalks	735,355	-	735,355
Culture and recreation	81,620	269,598	351,218
Unassigned	392,190	-	392,190
Total fund balances	1,551,412	269,598	1,821,010
Total liabilities and fund balances	\$ 1,632,509	\$ 269,817	\$ 1,902,326

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

Town of La Veta
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2024

Total fund balance, governmental funds	\$	1,821,010
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.		2,565,816
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		(25,877)
Adjustments for leases, pension assets, deferred outflows, and deferred inflows		34,983
Net Position of Governmental Activities in the Statement of Net Position	\$	4,395,932

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

Town of La Veta
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	<u>General Fund</u>	<u>Museum Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$ 58,251	\$ -	\$ 58,251
Sales and use taxes	611,184	100,000	711,184
Franchise tax	32,014	-	32,014
Fees and fines	200	-	200
Intergovernmental	59,295	-	59,295
Licenses and permits	35,889	-	35,889
Investment earnings	38,401	-	38,401
Miscellaneous	89,228	14,965	104,193
Grants	231,709	21,767	253,476
Total revenues	<u>1,156,171</u>	<u>136,732</u>	<u>1,292,903</u>
EXPENDITURES			
General government	472,069	-	472,069
Public safety	125,506	-	125,506
Culture and recreation	7,895	159,381	167,276
Public works	455,594	-	455,594
Capital Outlay	439,179	-	439,179
Total Expenditures	<u>1,500,243</u>	<u>159,381</u>	<u>1,659,624</u>
Excess (deficiency) of revenues over expenditures	<u>(344,072)</u>	<u>(22,649)</u>	<u>(366,721)</u>
Net change in fund balances	(344,072)	(22,649)	(366,721)
Fund balances - beginning	1,895,484	292,247	2,187,731
Fund balances - ending	<u>\$ 1,551,412</u>	<u>\$ 269,598</u>	<u>\$ 1,821,010</u>

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

Town of La Veta
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, 2024

Net change in fund balances - total governmental funds:	\$ (366,721)
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>	
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p> <p>This is the amount by which capital outlay of \$439,179 was more than depreciation of \$101,779 in the current period.</p>	337,400
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>	
Loss relating to leases	(7,914)
Pension expense	(5,297)
	(13,211)
Change in net position of governmental activities	\$ (42,532)

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

**Town of La Veta
Statement of Net Position
Proprietary Funds
December 31, 2024**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,723,796	\$ 1,501,709	\$ 3,225,505
Accounts receivable, net	(2,692)	70,057	67,365
Inventories	8,610	658	9,268
Total current assets	<u>1,729,714</u>	<u>1,572,424</u>	<u>3,302,138</u>
Property, Plant and Equipment:			
Capital assets, not being depreciated	843,734	6,149,974	6,993,708
Capital assets, being depreciated	1,884,232	1,001,864	2,886,096
Total non-current assets	<u>2,727,966</u>	<u>7,151,838</u>	<u>9,879,804</u>
Total assets	<u>4,457,680</u>	<u>8,724,262</u>	<u>13,181,942</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	2,083	137,557	139,640
Compensated absences	5,891	6,817	12,708
Accrued interest payable	4,773	-	4,773
Loans payable, current portion	50,444	130,176	180,620
Total current liabilities	<u>63,191</u>	<u>274,550</u>	<u>337,741</u>
Non-current liabilities:			
Loans payable	816,109	3,107,704	3,923,813
Total non-current liabilities	<u>816,109</u>	<u>3,107,704</u>	<u>3,923,813</u>
Total liabilities	<u>879,300</u>	<u>3,382,254</u>	<u>4,261,554</u>
NET POSITION			
Net investment in capital assets	1,861,413	3,913,958	5,775,371
Unrestricted	1,716,967	1,428,050	3,145,017
Total net position	<u>\$ 3,578,380</u>	<u>\$ 5,342,008</u>	<u>\$ 8,920,388</u>

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

Town of La Veta
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2024

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
REVENUES			
Charges for services	\$ 401,942	\$ 429,161	\$ 831,103
Miscellaneous	2,514	-	2,514
Total operating revenues	<u>404,456</u>	<u>429,161</u>	<u>833,617</u>
OPERATING EXPENSES			
Wages and benefits	130,747	110,322	241,069
System operations	-	125,730	125,730
Supplies	27,276	10,775	38,051
Utilities	12,375	45,482	57,857
Fuel	1,365	2,563	3,928
Administrative and general	23,217	45,221	68,438
Maintenance department	22,690	-	22,690
Miscellaneous expense	29,233	17,378	46,611
Depreciation	104,129	40,213	144,342
Total Operating Expenses	<u>351,032</u>	<u>397,684</u>	<u>748,716</u>
Operating income (loss)	<u>53,424</u>	<u>31,477</u>	<u>84,901</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	43,147	28,655	71,802
Capital grant	240,000	7,000	247,000
Interest expense	(19,748)	(8,801)	(28,549)
Total non-operating revenue (expenses)	<u>263,399</u>	<u>26,854</u>	<u>290,253</u>
Income (loss) before contributions and transfers	<u>316,823</u>	<u>58,331</u>	<u>375,154</u>
Change in net position	316,823	58,331	375,154
Total net position - beginning	<u>3,261,557</u>	<u>5,283,677</u>	<u>8,545,234</u>
Total net position - ending	<u>\$ 3,578,380</u>	<u>\$ 5,342,008</u>	<u>\$ 8,920,388</u>

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

**Town of La Veta
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers	\$ 414,886	\$ 428,489	\$ 843,375
Cash paid to suppliers	(118,451)	(117,114)	(235,565)
Cash paid for personnel costs	(130,747)	(110,322)	(241,069)
Net cash flows from Operating Activities	<u>165,688</u>	<u>201,053</u>	<u>366,741</u>
Cash flows from capital and related financing activities:			
Grants and contributions	240,000	7,000	247,000
Purchase of fixed assets	(334,296)	(76,624)	(410,920)
Principal payment on long term debt	(49,384)	(129,874)	(179,258)
Interest payment on long term debt	(19,748)	(8,801)	(28,549)
Net cash flows from capital and financing activities	<u>(163,428)</u>	<u>(208,299)</u>	<u>(371,727)</u>
Cash flows from investing activities:			
Interest income	43,147	28,655	71,802
Net cash flows from investing activities	<u>43,147</u>	<u>28,655</u>	<u>71,802</u>
Net increase (decrease) in cash and cash equivalents	45,407	21,409	66,816
Beginning of year	1,678,389	1,480,300	3,158,689
End of year	<u>\$ 1,723,796</u>	<u>\$ 1,501,709</u>	<u>\$ 3,225,505</u>

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

**Town of La Veta
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	\$ 53,424	\$ 31,477	\$ 84,901
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	104,129	40,213	144,342
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	10,430	(672)	9,758
Inventory	-	(1)	
Increase (decrease) in:			
Accounts payable	(2,296)	130,036	127,740
Compensated absences	1	-	1
Net cash flows from operating activities	<u>\$ 165,688</u>	<u>\$ 201,053</u>	<u>\$ 366,741</u>

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

Town of La Veta, Colorado
Notes to Basic Financial Statements
December 31, 2024

Note 1 **Definition of Reporting Entity**

Reporting Entity

The Town of La Veta, (The Town), was organized as a statutory Town in Colorado by court order in 1876. The Town provides general government, public works, public safety, community service, water, and sewer services for the geographical area are organized as the Town.

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

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

Note 2 **Summary of Significant Accounting Policies**

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the 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 net position reports all financial and capital resources of the Town. The difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources of the Town is reported as net position.

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

Separate financial statements are provided for governmental funds and proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for property, equipment and infrastructure are shown as increases in assets, and redemptions of bonds are recorded as a reduction in liabilities.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes, sales taxes and franchise fees. 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:

General Fund – The General Fund is the Town’s primary operating fund. It accounts for all financial resources of the general government except those required to be accounted or in another fund, which include the following departments: Legislative, Judicial, Administrative, Public Safety-Police, and Public Works.

Museum Special Revenue Fund – The Museum Special Revenue Fund accounts for all financial activity related to the operation of the museum.

The Town reports the following major proprietary funds:

Water Fund – The Water Fund was established to account for the acquisition, operation and maintenance of the Town’s water facilities and infrastructure.

Sewer Fund – The Sewer Fund was established to account for the acquisition, operation and maintenance of the Town’s sewer facilities and infrastructure.

Proprietary funds are used to account for ongoing activities that are financed and operated in a manner similar to private business enterprises. 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. The principal operating revenues are charges to customers for water and sewer service. Operating expenses include the costs of the services, administrative expenses, and depreciation of 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 policy to use restricted resources first, then unrestricted resources as they are needed.

Cash Equivalents

For the purpose of the statement of cash flows of the proprietary funds, cash and cash equivalents include operating and restricted cash deposits and highly liquid investments with original maturities of three months or less from the date of acquisition.

Accounts Receivable, Allowance for Doubtful Accounts

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

Contraband

Per Colorado Contraband Forfeiture Act (CRS 16-13-501-511), proceeds received from the seizure of contraband must be used for the specific purposes of law enforcement activities. These proceeds are exempt from the appropriation process. The Town of La Veta received no proceeds during 2024.

Long-Term Obligations

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

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

Leases

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

that have a maximum term of less than 12 months are considered short-term leases. Short-term lease payments are recognized in the period of payment.

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

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

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of two or more years and for which the initial, individual value equals or exceeds the following dollar amounts:

<u>Asset Class</u>	<u>Dollar Value</u>
Land	No Minimum
Buildings	No Minimum
Building & other improvements	\$ 5,000
Furniture and equipment	\$ 5,000
Infrastructure	\$ 5,000

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at acquisition value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation expense is included in program expense in the government-wide statement of activities. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Equipment	5-30 years
Building & Plant	15-40 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets since their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

Compensated Absences

It is the Town's policy to permit employees to accumulate earned, but unused, vacation benefits. These benefits accrue as Paid Time Off (PTO). PTO accrues to a maximum of 120 days of annual leave (960 hours) if hired before January 1, 2022, and 30 days (240 hours) if hired after January 1, 2022.

Property Taxes

Property taxes are levied by the Town's Board of Trustees. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or in equal installments, at the taxpayer's election, in February and June.

Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the Town.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows are recorded as revenue in the year they are available or collected.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has certain items that relate to its pension plan that qualify for reporting in this category. Accordingly, these items are deferred and will be recognized as an outflow of resources in the period the resource is required for use.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has certain items that relate to its pension benefits and property tax revenue that qualify for this category. Accordingly, these items are deferred and will be recognized as an inflow of resources in the period that the amount becomes available.

Pensions

The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost sharing multi-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA) that provides retirement benefits for members and beneficiaries.

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 plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this

purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

FPPA administers the Statewide Death & Disability Plan discussed in Note 7, which qualifies as a cost sharing multiple-employer defined benefit OPEB plan under the standard. This plan covers substantially all active full-time (and some part-time) employees of fire and police departments in Colorado. As it pertains to the requirements in Statement No. 75 regarding the FPPA Statewide Death & Disability Plan and the Town, FPPA concluded that because all contributions to the plan are considered member contributions (and not employer), the employers' proportionate share of any Net OPEB liability (asset) is \$0.

Fund Balances

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: non-spendable, restricted, committed, assigned and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

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

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

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the Town's highest level of decision-making authority, the Board of Trustees. The constraint may be removed or changed only through formal action of the Town's Board of Trustees.

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

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

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

At December 31, 2024, the Town had \$50,000 restricted by legislation (for emergencies), \$351,218 restricted for recreation (Conservation Trust), and \$735,355 restricted for streets and sidewalks, and \$292,247 for the museum fund.

The remaining fund balance is considered by the Town to be unassigned. At December 31, 2024, the Town had an unassigned fund balance in the general fund of \$391,190.

Budgets

The Town follows these procedures in establishing the budgetary data reflected in the supplementary information:

- By October 15, the Town Administrator submits to the Board of Trustees, a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them. The appropriation is at the total fund expenditures level.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Any budget revisions that alter the total expenditures of any fund must be approved by the Board of Trustees through passage of a resolution.
- The Town legally adopts budgets for all of the funds. The budget includes each fund on its basis of accounting unless otherwise indicated.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Board of Trustees. All appropriations lapse at year end.

The Town's Board of Trustees can modify the budget by line item within the total appropriation without notification. The total appropriation can only be modified upon completion of notification and publication requirements.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the General Fund, Museum Fund and Enterprise Funds. All encumbrances lapse at the end of the year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that the Town's management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 3**Cash and Investments**

Cash and investments are reflected on the December 31, 2024 Statement of Net Position as follows:

Cash and investments	\$ 4,961,139
Cash with County Treasurer	<u>13,091</u>
Total cash and investments	<u>\$ 4,974,230</u>

A summary of cash and investments as of December 31, 2024 consist of the following:

Petty cash	\$ 1,230
Bank deposits	<u>4,973,000</u>
Total	<u>\$ 4,974,230</u>

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. At year-end, the federal insurance limit was \$250,000. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town’s cash deposit and investment policy adopts state statutes regarding custodial credit risk for deposits.

Local Government Investment Pools

At December 31, 2024, the Town had invested \$3,612,268 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor’s and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Note 4 Capital Assets

Governmental capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 928,044	\$ 410,956	\$ -	\$ 1,339,000
Capital assets being depreciated:				
Buildings	1,018,692	-	-	1,018,692
Equipment	697,161	28,223	-	725,384
Site Improvements	1,814,902	-	-	1,814,902
Total capital assets being depreciated:	<u>3,530,755</u>	<u>28,223</u>	<u>-</u>	<u>3,558,978</u>
Less accumulated depreciation for:				
Buildings	(711,480)	(28,560)	-	(740,040)
Equipment	(593,889)	(20,548)	-	(614,437)
Site Improvements	(925,014)	(52,671)	-	(977,685)
Total accumulated depreciation	<u>(2,230,383)</u>	<u>(101,779)</u>	<u>-</u>	<u>(2,332,162)</u>
Total capital assets being depreciated, net	1,300,372	(73,556)	-	1,226,816
Governmental Activities Capital Assets, Net	<u>\$ 2,228,416</u>	<u>\$ 337,400</u>	<u>\$ -</u>	<u>\$ 2,565,816</u>

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

General Government	\$ 18,794
Public Safety	1,751
Public Works	71,468
Culture & Recreation	9,766
Total	<u>\$ 101,779</u>

Business-Type capital asset activity for the year ended December 31, 2024 was as follows:

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and Water Rights	\$ 520,711	\$ -	\$ -	\$ 520,711
Construction in Progress	6,082,624	390,374	-	6,472,998
Total Capital assets not being depreciated	6,603,335	390,374	-	6,993,709
Capital assets being depreciated:				
Building and Systems	6,589,916	20,544	-	6,610,460
Total capital assets being depreciated:	6,589,916	20,544	-	6,610,460
Less accumulated depreciation for:				
Building and Systems	(3,580,024)	(144,342)	2	(3,724,364)
Total accumulated depreciation	(3,580,024)	(144,342)	2	(3,724,364)
Total capital assets being depreciated, net	3,009,892	(123,798)	2	2,886,096
Business-Type Activities Capital Assets, Net	\$ 9,613,227	\$ 266,576	\$ 2	\$ 9,879,805

Depreciation expense was charged to function or programs of the Town's business-type activities as follows:

Water	\$ 104,129
Sewer	40,213
Total	\$ 144,342

Note 5 Long-Term Debt

The following is a summary of the changes in long-term liabilities of the Town for the year ended December 31, 2024:

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Water Fund					
Note Payable Colorado Water Res-2008	\$ 671,422	\$ -	\$ (37,705)	\$ 633,717	\$ 38,415
Colorado Water Conservation Loan-2014	244,515	-	(11,679)	232,836	12,029
Total Water Fund	915,937	-	(49,384)	866,553	50,444
Sewer Fund					
Water Pollution Revolving Fund Loan-2014	148,500	-	(13,500)	135,000	13,500
Water Pollution Revolving Fund Loan-2015	69,000	-	(6,000)	63,000	6,000
Water Pollution Revolving Fund Loan-2018	1,375,000	-	(50,000)	1,325,000	50,000
Water Pollution Revolving Fund Loan-2020	1,775,254	-	(60,374)	1,714,880	60,676
Total Sewer Fund	3,367,754	-	(129,874)	3,237,880	130,176
Total	\$ 4,283,691	\$ -	\$ (179,258)	\$ 4,104,433	\$ 180,620

Notes Payable

Colorado Water Resources and Power Authority

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

Below is a summary of payments due:

	Principal	Interest	Total
2025	\$ 38,415	\$ 11,703	\$ 50,118
2026	39,139	10,979	50,118
2027	39,876	10,242	50,118
2028	41,069	9,049	50,118
2029	41,838	8,280	50,118
2030-2034	221,260	29,330	250,590
2035-2039	212,120	38,470	250,590
	<u>\$ 633,717</u>	<u>\$ 118,053</u>	<u>\$ 751,770</u>

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

1. Compliance with rate covenant -the rate covenant requires that fees charged and collected be at least sufficient each year to pay the sum of amounts required to pay operating and maintenance expenses (as defined) of \$205,491 in 2023, 110% of the debt service on the loans of \$40,709 in 2023, debt reserve payment of \$0 in 2023, subordinate lien debt service of \$0 in 2023, and other debt service payable from the above fees of \$0 in 2023. The \$246,200 total requirement of the covenant was exceeded by fees of \$420,750 for the year ended December 31, 2023.
2. Compliance with operations and maintenance reserve covenant -the reserve requirement is estimated to be approximately \$50,000 at December 31, 2023 based on Exhibit F of the loan agreement. The Town had a maintained reserve account of \$66,247 at December 31, 2023.
3. Lien representation -the property pledged for this debt, except as disclosed to the Authority in writing, is free and clear of any pledge, lien, charge or encumbrance.

Colorado Water Conservation Board Loan

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

Below is a summary of payments due:

	Principal	Interest	Total
2025	\$ 12,029	\$ 6,985	\$ 19,014
2026	12,390	6,624	19,014
2027	12,762	6,252	19,014
2028	13,145	5,869	19,014
2029	13,945	5,069	19,014
2030-2034	76,256	18,814	95,070
2035-2039	88,401	6,669	95,070
2040	3,908	273	4,181
	\$ 232,836	\$ 56,555	\$ 289,391

Sewer Note Payable – Colorado Water Resources and Power Authority

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

Below is a summary of payments due:

	Principal	Interest	Total
2025	\$ 13,500	\$ -	\$ 13,500
2026	13,500	-	13,500
2027	13,500	-	13,500
2028	13,500	-	13,500
2029	13,500	-	13,500
2030-2034	67,500	-	67,500
	\$ 135,000	\$ -	\$ 135,000

Sewer Note Payable – Colorado Water Resources and Power Authority

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

Below is a summary of payments due:

	Principal	Interest	Total
2025	\$ 6,000	\$ -	\$ 6,000
2026	6,000	-	6,000
2027	6,000	-	6,000
2028	6,000	-	6,000
2029	6,000	-	6,000
2030-2034	33,000	-	33,000
	\$ 63,000	\$ -	\$ 63,000

Sewer Note Payable – Colorado Water and Resources and Power Authority

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

Below is a summary of the payments due:

	Principal	Interest	Total
2025	\$ 50,000	\$ -	\$ 50,000
2026	50,000	-	50,000
2027	50,000	-	50,000
2028	50,000	-	50,000
2029	50,000	-	50,000
2030-2034	250,000	-	250,000
2035-2039	250,000	-	250,000
2040-2044	250,000	-	250,000
2045-2049	250,000	-	250,000
2050-2051	75,000	-	75,000
	<u>\$ 1,325,000</u>	<u>\$ -</u>	<u>\$ 1,325,000</u>

Sewer Note Payable – Colorado Water and Resources and Power Authority

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

Below is a summary of the payments due:

	Principal	Interest	Total
2025	\$ 60,676	\$ 8,499	\$ 69,175
2026	60,980	8,195	69,175
2027	61,285	7,890	69,175
2028	61,592	7,583	69,175
2029	62,415	6,760	69,175
2030-2034	316,835	29,040	345,875
2035-2039	324,786	21,089	345,875
2040-2044	332,986	12,889	345,875
2045-2049	315,083	30,792	345,875
2050-2051	118,242	2,812	121,054
	<u>\$ 1,714,880</u>	<u>\$ 135,549</u>	<u>\$ 1,850,429</u>

Note 6 Change in Compensated Absences

Below are the changes in compensated absences by fund for the year, ended December 31, 2024.

	Beginning Balance	Additions	Deletions	Ending Balance
General Fund	\$ 25,877	\$ -	\$ -	\$ 25,877
Water Fund	5,890	-	-	5,890
Sewer Fund	6,817	-	-	6,817
Total	<u>\$ 38,584</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,584</u>

Note 7 State Fire and Police Pension Plan (FPPA)

Plan Description

The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became Effective January 1, 1980. As of January 1, 2023, Statewide Defined Benefit Plan and the Statewide Hybrid Plan have merged to form the Statewide Retirement Plan (SRP) and the Statewide Defined Benefit Plan becomes the Defined Component of the Statement Retirement Plan.

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 Money Purchase Component, and Separate Retirement Account assets from eligible retired members).

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

Description of Benefits

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. 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 2.0 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. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan ("SWDB 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 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, 2021, 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 increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions 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 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent. In 2023, members of the SWDB plan and their employers are contributing at the rate of 12.0 percent and 9.5 percent, respectively, of pensionable earnings for a total contribution rate of 21.5 percent. Contributions to the Plan from the Town were \$5,665 for the year ended December 31, 2023.

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.

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 of \$-0- for its proportionate share of the net pension asset. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset was based upon the January 1, 2024 actuarial valuation. The Town's proportion of the net pension asset was based on the Town's share of contributions to the pension plan relative to the contributions of all participating entities. At December 31, 2023, the Town's proportion was 0.00607 percent, which is approximately the same as its proportion measured as of December 31, 2022.

For the year ended December 31, 2023, the Town recognized pension income of \$11,275. 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
Differences between expected and actual experience	\$ 11,559	\$ 555
Changes of assumptions or other inputs	6,705	-
Net difference between projected and actual earnings on pension plan investments	8,299	-
Contributions subsequent to the measurement date	8,976	-
Total	\$ 35,539	\$ 555

\$8,976 in total reported as deferred outflows of resources related to pension resulting from Town contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amount
2024	\$ 4,488
2025	6,630
2026	9,479
2027	1,288
2028	1,589
Thereafter	\$ 2,535

Actuarial Assumptions

The actuarial valuations for the 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:

	Total Pension Liability	Actuarial Defined Contributions
Actuarial Valuation Date	January 1, 2024	January 1, 2023
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % Payroll, Open
Amortization Period	N/A	30 Years
Long-term investment rate of return	7.0%	7.0%
Projected salary increases	4.25% – 11.25%	4.25% – 11.25%
Cost of Living Adjustment	0%	0%
Inflation	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety 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.

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 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35.00%	8.33%
Equity Long/Short	6.00%	7.27%
Private Markets	34.00%	10.31%
Fixed Income – Rates	10.00%	5.55%
Fixed Income – Credit	5.00%	5.89%
Absolute Return	9.00%	6.39%
Cash	1.00%	4.32%
Total	100%	

Discount Rate

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

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 3.77 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 (Asset) to changes in the Discount Rate

The following presents the Town’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the Town’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1- percentage-point lower (6.00 percent) or 1- percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Simple Discount Rate Assumption (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability/(asset)	\$ 3,035	\$ -0-	\$ -0-

<u>Collective Pension Plan Expense(Income)</u>	<u>For the Plan Year Ended December 31, 2023</u>
Service cost	\$ 9,543
Interest on total pension liability	16,474
Current-period benefit changes*	724
IRC 414(h)(2) employer-paid member contributions	(7,037)
Member purchases of service credit	(843)
Projected earnings on plan investments	(16,178)
Pension plan administrative expense	416
Other changes in plan fiduciary net position	(6)
Recognition of outflow of resources due to liabilities	4,092
Recognition of outflow of resources due to assets	(1,889)
Total pension plan expense/(income)	<u>\$ 5,296</u>

Pension Plan Fiduciary Net Position

Detailed information about the SWDB’s fiduciary net position is available in FPPA’s annual comprehensive financial report, which can be obtained at <http://www.flmaco.org>.

Note 8 Risk Management

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

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

Note 9 Pension Trust Fund

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

Note 10 Tax, Spending and Debt Limitation

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

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The Town's management believes the Enterprise funds of the Town qualify for this exclusion.

Spending and revenue limits are determined based on the prior year's fiscal year spending as adjusted for allowable increases for inflation and local growth. Fiscal year spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenues in excess of the fiscal year spending limit must be refunded unless retention of such revenue has been approved by the voters.

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

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

The Town passed a ballot question on November 5, 1996. The ballot question permitted the Town to collect, retain and expend, without imposing any new taxes or increases in its present mill levy on general property or its sales and use tax rates, the full revenues generated by the Town's sales and use tax, non-federal grants, its existing mill levy and any other excess revenues, commencing January 1, 1995, and each subsequent year, notwithstanding any state restrictions of Article X, Section 20, of the Colorado Constitution, and spend as a voter-approved change and exception to the limits which would otherwise apply for: (a) street construction, repair, and maintenance; (b) capital improvements; (c) parks and recreation; (d) police protection; (e) storm drainage; (f) snow removal; (g) street sweeping; and (h) other municipal services. In 2016, the Town received notification from the State of Colorado Department of Local Affairs that they have determined that the ballot question language is not sufficient to remove the Town from the statutory property revenue tax limitation of 5.5%.

Note 11 **Defined Contribution Plan**

All Town employees not eligible for FPPA participate in the Towns 401K plan which is managed by Vanguard. The Town contributes 4% for all employees who do not contribute individually to the plan and 6% for all employees who do make a contribution. There is no waiting period for employees to participate and there is no vesting terms or forfeitures associated with the plan. During 2024, employees contributed to the plan which was appropriately funded by the Town recognizing \$24,371 in pension expense for the year.

Note 12 **Subsequent Events—December 31, 2023**

In 2022, the Town filed a condemnation action against a property landowner. Subsequent to year-end, following a trial, an award of \$265,000 was entered for the value of the land to be paid to the landowner. Because \$100,000 was already deposited by the Town for eminent domain in 2023, an additional \$165,000 was deposited by the Town with the Court on May 15, 2024.

Required Supplementary Information

**Town of La Veta
Budget and Actual
General Fund
For the year ended December 31, 2024**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 48,165	\$ 48,165	\$ 58,251	\$ 10,086
Franchise tax	29,000	29,000	32,014	3,014
Sales and use taxes	548,200	548,200	611,184	62,984
Fees and fines	200	200	200	-
Licenses and permits	33,800	33,800	35,889	2,089
Intergovernmental	52,657	52,657	59,295	6,638
Grants	4,761,237	4,761,237	231,709	(4,529,528)
Investment earnings	-	-	38,401	38,401
Miscellaneous	41,759	41,759	89,228	47,469
Total revenues	<u>5,515,018</u>	<u>5,515,018</u>	<u>1,156,171</u>	<u>(4,358,847)</u>
EXPENDITURES				
General government	1,470,860	1,470,860	472,069	998,791
Public safety	210,848	210,848	125,506	85,342
Culture and recreation	7,075	7,075	7,895	(820)
Public works	4,078,415	4,078,415	455,594	3,622,821
Capital outlay	-	-	439,179	(439,179)
Total Expenditures	<u>5,767,198</u>	<u>5,767,198</u>	<u>1,500,243</u>	<u>4,266,955</u>
Excess (deficiency) of revenues over expenditures	<u>(252,180)</u>	<u>(252,180)</u>	<u>(344,072)</u>	<u>(91,892)</u>
Net change in fund balances	(252,180)	(252,180)	(344,072)	(91,892)
Fund balances - beginning	1,003,233	1,003,233	1,895,484	(892,251)
Fund balances - ending	<u>\$ 751,053</u>	<u>\$ 751,053</u>	<u>\$ 1,551,412</u>	<u>\$ (922,701)</u>

**Town of La Veta
Budget and Actual
Museum Fund
For the year ended December 31, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales and use taxes	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Intergovernmental	10,404	10,404	21,767	21,767
Charges for services	11,000	11,000	-	-
Miscellaneous	20,930	20,930	14,965	14,965
Total revenues	<u>142,334</u>	<u>142,334</u>	<u>136,732</u>	<u>136,732</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>195,581</u>	<u>195,581</u>	<u>159,381</u>	<u>159,381</u>
Total Expenditures	<u>195,581</u>	<u>195,581</u>	<u>159,381</u>	<u>159,381</u>
Excess (deficiency) of revenues over expenditures	<u>(53,247)</u>	<u>(53,247)</u>	<u>(22,649)</u>	<u>(22,649)</u>
Net change in fund balances	(53,247)	(53,247)	(22,649)	(22,649)
Fund balances - beginning	<u>69,820</u>	<u>69,820</u>	<u>292,247</u>	<u>-</u>
Fund balances - ending	<u>\$ 16,573</u>	<u>\$ 16,573</u>	<u>\$ 269,598</u>	<u>\$ 1,551,412</u>

Town of La Veta
Schedule of Proportionate Share of the Net Pension Liability / (Asset) and Employer Contributions
FPPA Statewide Defined Benefit Plan
Last 10 Fiscal Years
For the years ended

	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Proportionate Share of the Net Pension										
Town's Proportion of the Net Pension Liability / (Asset)	0.00000%	0.00616%	0.00573%	0.00869%	0.01061%	0.01123%	0.01250%	0.00014%	0.00010%	0.00000%
Town's Proportionate Share of the Net Pension Liability / (Asset)	\$ -	\$ (5,465)	\$ (31,053)	\$ (18,866)	\$ (6,352)	\$ 14,200	\$ (17,983)	\$ 5,050	\$ (176)	\$ -
Town's Covered Payroll	\$ 88,448	\$ 59,750	\$ 60,750	\$ 49,087	\$ 68,387	\$ 78,212	\$ 75,238	\$ 73,120	\$ 48,425	\$ -
Town's Proportionate Share of the Net Pension Liability / (Asset) as a Percentage of the Covered Payroll	0.0%	(9.1%)	(51.1%)	(38.4%)	(9.3%)	18.2%	(23.9%)	6.9%	(0.4%)	0.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability / (Asset)	100.0%	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	135.5%	0.0%
Town Contributions										
Actuarially Required Contribution	\$ -	\$ 4,821	\$ 4,860	\$ 3,927	\$ 5,471	\$ 6,257	\$ 6,019	\$ 5,850	\$ 3,874	\$ -
Actual Contributions	8,976	5,665	4,860	3,927	5,471	6,257	6,019	5,850	3,874	-
Contribution Excess / (Deficiency)	\$ 8,976	\$ 844	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual Covered Payroll	\$ 88,448	\$ 59,750	\$ 60,750	\$ 49,087	\$ 68,387	\$ 78,212	\$ 75,238	\$ 73,120	\$ 48,425	\$ -
Contributions as a Percentage of Covered Payroll	10.1%	9.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	0.0%

Supplementary Information

**Town of La Veta
Budget and Actual
Water Fund
For the year ended December 31, 2024**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 437,202	\$ 437,202	\$ 401,942	\$ (35,260)
Investment earnings	40,000	40,000	43,147	3,147
Miscellaneous	1,000	1,000	2,514	1,514
Total revenues	<u>478,202</u>	<u>478,202</u>	<u>447,603</u>	<u>(30,599)</u>
EXPENDITURES				
Current:				
Wages and benefits	150,375	150,375	130,747	19,628
Supplies	32,000	32,000	27,276	4,724
Utilities	20,000	20,000	12,375	7,625
Fuel	1,800	1,800	1,365	435
Administrative and general	24,700	24,700	23,217	1,483
Maintenance department	24,700	24,700	22,690	2,010
Miscellaneous	65,651	65,651	29,233	36,418
Debt Service:				
Principal	45,905	45,905	49,384	(3,479)
Interest and other charges	19,748	19,748	19,748	-
Capital Outlay	<u>4,659,250</u>	<u>4,659,250</u>	<u>334,296</u>	<u>4,324,954</u>
Total Expenditures	<u>5,044,129</u>	<u>5,044,129</u>	<u>650,331</u>	<u>4,393,798</u>
Excess (deficiency) of revenues over expenditures	<u>(4,565,927)</u>	<u>(4,565,927)</u>	<u>(202,728)</u>	<u>4,363,199</u>
OTHER FINANCING SOURCES (USES)				
Grant	<u>4,021,000</u>	<u>4,021,000</u>	<u>240,000</u>	<u>3,781,000</u>
Total other financing sources and uses	<u>4,021,000</u>	<u>4,021,000</u>	<u>240,000</u>	<u>3,781,000</u>
Net change in fund balances	(544,927)	(544,927)	37,272	8,144,199
Fund balances - beginning	677,523	677,523	3,261,557	(2,584,034)
Adjustment to GAAP capital outlay	-	-	334,296	(334,296)
Adjustment to GAAP principal	-	-	49,384	(49,384)
Adjustment to GAAP depreciation	-	-	(104,129)	104,129
Fund balances - ending	<u>\$ 132,596</u>	<u>\$ 132,596</u>	<u>\$ 3,578,380</u>	<u>\$ 5,280,614</u>

**Town of La Veta
Budget and Actual
Sewer Fund
For the year ended December 31, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	441,161	441,161	429,161	(12,000)
Investment earnings	-	-	28,655	28,655
Miscellaneous	20,000	20,000	-	(20,000)
Total revenues	<u>461,161</u>	<u>461,161</u>	<u>457,816</u>	<u>(3,345)</u>
EXPENDITURES				
Current:				
Wages and benefits	126,628	126,628	110,322	16,306
System operations	67,500	67,500	125,730	(58,230)
Supplies	10,000	10,000	10,775	(775)
Utilities	75,000	75,000	45,482	29,518
Fuel	3,000	3,000	2,563	(437)
Administration and general	45,635	45,635	45,221	414
Miscellaneous	32,132	32,132	17,378	14,754
Debt Service:				
Principal	138,675	138,675	129,874	8,801
Interest	-	-	8,801	(8,801)
Capital Outlay	<u>1,761,250</u>	<u>1,761,250</u>	<u>76,624</u>	<u>1,684,626</u>
Total Expenditures	<u>2,259,820</u>	<u>2,259,820</u>	<u>572,770</u>	<u>1,669,870</u>
Excess (deficiency) of revenues over expenditures	<u>(1,798,659)</u>	<u>(1,798,659)</u>	<u>(114,954)</u>	<u>1,666,525</u>
OTHER FINANCING SOURCES (USES)				
Grants	<u>1,400,000</u>	<u>1,400,000</u>	<u>7,000</u>	<u>1,393,000</u>
Total other financing sources and uses	<u>1,400,000</u>	<u>1,400,000</u>	<u>7,000</u>	<u>1,393,000</u>
Net change in fund balances	(398,659)	(398,659)	(107,954)	290,705
Fund balances - beginning	810,055	810,055	5,283,677	4,473,622
Reconciling to GAAP--capital outlay	-	-	76,624	76,624
Reconciling to GAAP--debt service	-	-	129,874	129,874
Reconciling to GAAP--depreciation	-	-	(40,213)	(40,213)
Fund balances - ending	<u>\$ 411,396</u>	<u>\$ 411,396</u>	<u>\$ 5,342,008</u>	<u>\$ 4,930,612</u>

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): 12/2024
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This information From The Records Of: Town of La Veta	Prepared By: Heather Hillis heatherhillis@townoflaveta-co.gov
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 167,039.02
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 43,552.68
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 657.55
2. General fund appropriations		b. Snow and ice removal	\$ 9,781.49
3. Other local imposts (from page 2)	\$ 145,035.26	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 20,220.91	d. Total (a. through c.)	\$ 10,439.04
5. Transfers from toll facilities	\$ -	4. General administration & miscellaneous	\$ 20,460.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 26,400.00
a. Bonds - Original Issues	\$ -	6. Total (1 through 5)	\$ 267,890.74
b. Bonds - Refunding Issues	\$ -	B. Debt service on local obligations:	
c. Notes	\$ -	1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	\$ -
7. Total (1 through 6)	\$ 165,256.17	b. Redemption	\$ -
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government		2. Notes:	
(from page 2)	\$ 225,462.81	a. Interest	\$ -
D. Receipts from Federal Government		b. Redemption	\$ -
(from page 2)	\$ -	c. Total (a. + b.)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 390,718.98	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)	\$ 267,890.74

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
	\$ 358,343.73	\$ 390,718.98	\$ 267,890.74	\$ 481,171.97	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/2024

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		a. Interest on investments	20,220.91
b. Other local imposts:		b. Traffic Fines & Penalties	\$ -
1. Sales Taxes	\$ 140,349.16	c. Parking Garage Fees	\$ -
2. Infrastructure & Impact Fees		d. Parking Meter Fees	\$ -
3. Liens		e. Sale of Surplus Property	\$ -
4. Licenses		f. Charges for Services	\$ -
5. Specific Ownership &/or Other	\$ 4,686.10	g. Other Misc. Receipts	\$ -
6. Total (1. through 5.)	\$ 145,035.26	h. Other	\$ -
c. Total (a. + b.)	\$ 145,035.26	i. Total (a. through h.)	\$ 20,220.91
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 52,769.20	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	\$ 5,654.59	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other	\$ 167,039.02	f. Other Federal ARPA	
f. Total (a. through e.)	\$ 172,693.61	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 225,462.81	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

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		\$ 167,039.02	\$ 167,039.02
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation			\$ -
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ -	\$ -
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 167,039.02	\$ 167,039.02
<i>(Carry forward to page 1)</i>			

Notes and Comments: