

City of Lamar
Lamar, Colorado

Financial Statements
with
Independent Auditor's Report

For the Year Ended
December 31, 2022

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December 31, 2022**

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FINANCIAL SECTION

Independent Auditor's Report

Members of City Council
City of Lamar
Lamar CO 81052

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lamar (the "City"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City'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 aggregate remaining fund information of the City as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 City'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 City'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 required supplementary information on pages 55 through 62, 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.

Management has elected to omit the management's discussion and analysis which is required by the Governmental Accounting Standards Board. The omission of this information does not affect our opinions.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, such as the combining and individual nonmajor fund financial statements, budgetary comparison schedules, schedule of revenues, expenses, and changes in net position budget and actual for the enterprise funds and the local highway finance report on page 63 through 78 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying 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

June 13, 2023

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the City's operations. These financial statements present the financial position, operating results, and cash flows where applicable, of all funds and activities as of December 31, 2022.

City of Lamar, Colorado
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Equivalents	\$ 11,617,088	\$ 14,849,017	\$ 26,466,105
Receivables	1,209,649	2,194,739	3,404,388
Internal Balances	1,056,476	(1,056,476)	-
Inventories	-	1,109,328	1,109,328
Other assets	(9,188)	22	(9,166)
Capital Assets:			
Capital Assets not being Depreciated	5,826,763	2,521,598	8,348,361
Capital Assets being Depreciated	29,416,302	70,394,105	99,810,407
Less: Accumulated Depreciation	(18,225,971)	(37,064,314)	(55,290,285)
Net Pension Asset	1,124,639	349,682	1,474,321
Total Capital Assets	<u>18,141,733</u>	<u>36,201,071</u>	<u>54,342,804</u>
Total Assets	<u>32,015,758</u>	<u>53,297,701</u>	<u>85,313,459</u>
DEFERRED OUTFLOWS OF RESOURCES			
Net Deferred Outflows Pensions	44,750	505,540	550,290
Net Deferred Outflows OPEB	-	21,857	21,857
Total Deferred Outflows	<u>44,750</u>	<u>527,397</u>	<u>572,147</u>
Total Assets and Deferred Outflows	<u>32,060,508</u>	<u>53,825,098</u>	<u>85,885,606</u>
LIABILITIES			
Accounts payable and accrued expenses	403,132	964,446	1,367,578
Deposits held in escrow	520,182	-	520,182
Deferred revenues	1,924,082	-	1,924,082
Customer deposits	-	430,791	430,791
Long-term liabilities			
Due within one year			
Bonds, notes, and loans payable	368,802	1,151,179	1,519,981
Accrued interest payable	17,132	36,271	53,403
Compensated Absences	91,671	94,927	186,598
Due in more than one year			
Bonds, notes, and loans payable	833,343	5,501,727	6,335,070
Compensated absences	366,682	354,045	720,727
Landfill closure costs	-	365,270	365,270
Total liabilities	<u>4,525,026</u>	<u>8,898,656</u>	<u>13,423,682</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Taxes	485,375	-	485,375
Deferred Inflows of Pensions	203,534	1,905,312	2,108,846
Deferred Inflows of OPEB	-	55,278	55,278
Total Deferred Inflows	<u>688,909</u>	<u>1,960,590</u>	<u>2,649,499</u>
NET POSITION			
Net Investment in Capital Assets	19,996,388	29,193,626	49,190,014
Restricted	328,213	-	328,213
Unrestricted	6,521,972	13,772,226	20,294,198
Total Net Position	<u>\$ 26,846,573</u>	<u>\$ 42,965,852</u>	<u>\$ 69,812,425</u>

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

City of Lamar, Colorado
Statement of Activities
For the Year Ended December 31, 2022

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	\$ 3,112,778	\$ 606,918	\$ 6,143	\$ -	\$ (2,499,717)	\$ -	\$ (2,499,717)
Public Safety	3,118,909	274,271	497,385	-	(2,347,253)	-	(2,347,253)
Public Works	1,413,214	9,633	451,673	-	(951,908)	-	(951,908)
Cemetery	322,974	56,010	-	-	(266,964)	-	(266,964)
Culture and Recreation	2,289,040	229,965	212,482	-	(1,846,593)	-	(1,846,593)
Total governmental activities	<u>10,256,915</u>	<u>1,176,797</u>	<u>1,167,683</u>	<u>-</u>	<u>(7,912,435)</u>	<u>-</u>	<u>(7,912,435)</u>
Business-type activities:							
Utility	12,963,947	14,825,136	-	-	-	1,861,189	1,861,189
Water	2,461,062	3,147,282	59,890	453,673	-	1,199,783	1,199,783
Sanitation	1,146,476	1,592,910	-	-	-	446,434	446,434
Ambulance	619,288	282,008	156,000	-	-	(181,280)	(181,280)
Airport	945,720	773,513	56,335	-	-	(115,872)	(115,872)
Total business-type activities	<u>18,136,493</u>	<u>20,620,849</u>	<u>272,225</u>	<u>453,673</u>	<u>-</u>	<u>3,210,254</u>	<u>3,210,254</u>
Total primary government	<u>\$ 28,393,408</u>	<u>\$ 21,797,646</u>	<u>\$ 1,439,908</u>	<u>\$ 453,673</u>	<u>(7,912,435)</u>	<u>3,210,254</u>	<u>(4,702,181)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					661,168	-	661,168
Cigarette tax					8,827	-	8,827
Sales & SO tax					5,109,475	-	5,109,475
Unrestricted investment earnings					23,174	41,940	65,114
Miscellaneous					1,236,464	1,386,154	2,622,618
<i>Special item</i> - gain (loss) on disposition of assets					52,150	2,500	54,650
Transfers					(660,070)	660,070	-
Total general revenues, special items, and transfers					<u>6,431,188</u>	<u>2,090,664</u>	<u>8,521,852</u>
Change in net assets					(1,481,247)	5,300,918	3,819,671
Net position - beginning					28,329,600	37,664,934	65,992,754
Net position - ending					<u>\$ 26,846,573</u>	<u>\$ 42,965,852</u>	<u>\$ 69,812,425</u>

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

City of Lamar, Colorado
Balance Sheet
Governmental Funds
December 31, 2022

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 9,704,612	\$ 405,927	\$ 1,506,548	\$ 11,617,087
Taxes receivable, net	485,375	-	-	485,375
Due from other funds	1,143,660	-	(134)	1,143,526
Other receivables	99,998	45,939	578,337	724,274
Prepaid expenses	(9,188)	-	-	(9,188)
Total assets	<u>11,424,457</u>	<u>451,866</u>	<u>2,084,751</u>	<u>13,961,074</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	114,733	117,538	19,091	251,362
Due to other funds	-	61,760	25,290	87,050
Deposits	520,182	-	-	520,182
Unearned revenue	1,924,082	-	-	1,924,082
Accrued salaries and benefits	138,437	-	13,333	151,770
Total liabilities	<u>2,697,434</u>	<u>179,298</u>	<u>57,714</u>	<u>2,934,446</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred property taxes	<u>485,375</u>	<u>-</u>	<u>-</u>	<u>485,375</u>
Fund balances:				
Committed	-	183,440	1,839,468	2,022,908
Restricted	328,213	89,128	70,766	488,107
Unassigned	7,913,435	-	-	7,913,435
Unreserved, reported in non-major:				
Special revenue funds	-	-	116,803	116,803
Total fund balances	<u>8,241,648</u>	<u>272,568</u>	<u>2,027,037</u>	<u>10,541,253</u>
Total liabilities and fund balances	<u>\$ 11,424,457</u>	<u>\$ 451,866</u>	<u>\$ 2,084,751</u>	<u>\$ 13,961,074</u>

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

City of Lamar, Colorado
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2022

Total fund balance, governmental funds	\$	10,541,253
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 this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		18,186,483
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.		(1,881,164)
Rounding		<u>1</u>
Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>26,846,573</u></u>

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

City of Lamar, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 503,550	\$ -	\$ 180,282	\$ 683,832
Specific Ownership tax	76,017	-	-	76,017
Sales taxes	-	-	5,033,458	5,033,458
Fees and fines	36,677	-	6,789	43,466
Licenses and permits	264,157	-	17,436	281,593
Intergovernmental	878,447	243,290	378,346	1,500,083
Charges for services	597,710	25,695	240,864	864,269
Investment earnings	18,946	983	3,244	23,173
Miscellaneous	374,340	486,120	17,570	878,030
Donations	108	-	-	108
Total revenues	<u>2,749,952</u>	<u>756,088</u>	<u>5,877,989</u>	<u>9,384,029</u>
EXPENDITURES				
Current:				
General government	2,887,551	-	193,821	3,081,372
Public safety	2,197,197	115,392	620,395	2,932,984
Public works	1,043,400	-	-	1,043,400
Cemetery	2,289,994	-	2,100	2,292,094
Culture and recreation	-	17,103	60,083	77,186
Debt Service:	440,711	-	-	440,711
Capital Outlay	553,981	440,153	78,550	1,072,684
Total Expenditures	<u>9,412,834</u>	<u>572,648</u>	<u>954,949</u>	<u>10,940,431</u>
Excess (deficiency) of revenues over expenditures	<u>(6,662,882)</u>	<u>183,440</u>	<u>4,923,040</u>	<u>(1,556,402)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases	160,776	-	-	160,776
Sale of equipment	55,150	-	-	55,150
Transfers in	7,520,618	-	260,130	7,780,748
Transfers out	<u>(313,176)</u>	<u>-</u>	<u>(4,914,126)</u>	<u>(5,227,302)</u>
Total other financing sources and uses	<u>7,423,368</u>	<u>-</u>	<u>(4,653,996)</u>	<u>2,769,372</u>
Net change in fund balances	760,486	183,440	269,044	1,212,970
Fund balances - beginning	7,481,162	89,128	1,757,993	9,328,283
Fund balances - ending	<u>\$ 8,241,648</u>	<u>\$ 272,568</u>	<u>\$ 2,027,037</u>	<u>\$ 10,541,253</u>

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

City of Lamar, Colorado
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022

Net change in fund balances - total governmental funds:	\$	1,212,970
 Amounts reported for Governmental Activities in the Statement of Activities are different because:		
 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. This is the amount by which capital outlay of \$1,072,684 exceeded depreciation of \$964,923 in the current period.		
		107,761
 Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the individual funds		
		115,814
 Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which proceeds were less than repayments.		
		281,592
Transfer of general fixed assets to airport fund, net of depreciation		<u>(3,199,384)</u>
Change in net position of governmental activities	\$	<u><u>(1,481,247)</u></u>

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

City of Lamar, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2022

	Enterprise Funds					
	Utility Fund	Water	Sanitation	Ambulance	Airport	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 9,995,947	\$ 2,303,524	\$2,393,218	\$ 82,055	\$ 74,275	\$ 14,849,019
Accounts Receivable, net	1,437,819	186,046	138,603	165,678	8,932	1,937,078
Due from other funds	1,430	-	-	-	-	1,430
Other receivables	129,987	85,177	18,674	23,823	-	257,661
Inventories	1,024,698	84,630	-	-	-	1,109,328
Prepaid Expenses	-	-	-	22	-	22
Total current assets	12,589,881	2,659,377	2,550,495	271,578	83,207	18,154,538
Non-current assets:						
Capital Assets:						
Land and right of ways	668,327	103,335	18,000	-	-	789,662
Capital assets being depreciated	35,086,798	27,202,711	3,245,461	1,250,478	3,608,657	70,394,105
Construction in Progress	-	121,229	-	-	19,491	140,720
Intangibles and water rights	-	1,591,216	-	-	-	1,591,216
Less Accumulated depreciation	(23,873,149)	(9,773,096)	(2,125,029)	(912,854)	(380,186)	(37,064,314)
Total non-current assets	11,881,976	19,245,395	1,138,432	337,624	3,247,962	35,851,389
Total assets	24,471,857	21,904,772	3,688,927	609,202	3,331,169	54,005,927
DEFERRED OUTFLOWS OF RESOURCES						
Net Deferred Outflows Pensions	505,540	-	-	-	-	505,540
Net Deferred Outflows OPEB	21,857	-	-	-	-	21,857
Total Deferred Outflows	527,397	-	-	-	-	527,397
Total assets and deferred outflows	24,999,254	21,904,772	3,688,927	609,202	3,331,169	54,533,324
LIABILITIES						
Current Liabilities:						
Accounts payable	776,215	60,181	5,577	3,470	22,743	868,186
Salaries payable	57,133	16,990	14,447	10,467	-	99,037
Accrued interest payable	24,569	11,702	-	-	-	36,271
Due to other funds	13,413	201,900	280,491	450,167	111,936	1,057,907
Other accrued expenses	(20,801)	(15,480)	33,503	-	-	(2,778)
Compensated absences	67,326	16,764	6,936	3,855	46	94,927
Customer deposits	352,170	78,621	-	-	-	430,791
Bonds, notes and loans payable	381,396	762,691	-	-	7,092	1,151,179
Total current liabilities	1,651,421	1,133,369	340,954	467,959	141,817	3,735,520
Non-current liabilities:						
Compensated absences	229,923	77,513	31,191	15,418	-	354,045
Net pension liability (asset)	(349,682)	-	-	-	-	(349,682)
Landfill closure costs	-	-	365,270	-	-	365,270
Bonds, notes and loans payable	-	5,456,513	-	-	45,214	5,501,727
Total non-current liabilities	(119,759)	5,534,026	396,461	15,418	45,214	5,871,360
Total liabilities	1,531,662	6,667,395	737,415	483,377	187,031	9,606,880
DEFERRED INFLOWS OF RESOURCES						
Net Deferred Inflows Pensions	1,905,312	-	-	-	-	1,905,312
Net Deferred Inflows OPEB	55,278	-	-	-	-	55,278
Total Deferred Inflows	1,960,590	-	-	-	-	1,960,590
Net Position						
Net investment in capital assets	11,495,723	13,026,191	1,138,432	337,624	3,195,656	29,193,626
Unrestricted	10,011,279	2,211,186	1,813,080	(211,799)	(51,518)	13,772,228
Total Net Position	\$21,507,002	\$15,237,377	\$2,951,512	\$ 125,825	\$3,144,138	\$ 42,965,854

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

City of Lamar, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2022

	Enterprise Funds					Total
	Utility Fund	Water	Sanitation	Ambulance	Airport	
REVENUES						
Charges for services	\$14,825,136	\$ 3,147,282	\$ 1,592,910	\$ 282,008	\$ 715,701	\$ 20,563,037
Miscellaneous	-	19,307	-	-	57,811	77,118
Total operating revenues	<u>14,825,136</u>	<u>3,166,589</u>	<u>1,592,910</u>	<u>282,008</u>	<u>773,512</u>	<u>20,640,155</u>
OPERATING EXPENSES						
Personal services	101,771	739,304	562,152	405,262	199,866	2,008,355
Contractual services	-	89,333	-	-	-	89,333
Power and water purchased	9,220,475	305,827	-	-	-	9,526,302
Utilities	-	6,770	12,210	28	37,916	56,924
Repairs and maintenance	2,182,877	282,631	260,533	32,652	-	2,758,693
Other supplies and expenses	132,331	440,425	174,972	48,872	575,938	1,372,538
Insurance claims and expenses	303,474	67,480	27,242	24,183	62,157	484,536
Depreciation	827,698	419,358	117,386	110,526	44,097	1,519,065
Total Operating Expenses	<u>12,768,626</u>	<u>2,351,128</u>	<u>1,154,495</u>	<u>621,523</u>	<u>919,974</u>	<u>17,815,746</u>
Operating income (loss)	<u>2,056,510</u>	<u>815,461</u>	<u>438,415</u>	<u>(339,515)</u>	<u>(146,462)</u>	<u>2,824,409</u>
NON-OPERATING REVENUES						
(EXPENSES)						
Interest and investment revenue	32,301	5,036	3,851	658	94	41,940
Miscellaneous revenue	1,182,126	7,571	132,675	13,666	46,444	1,382,482
Grants and contributions	-	505,992	-	156,000	56,335	718,327
Interest expense	(15,237)	(95,558)	-	-	(2,799)	(113,594)
Miscellaneous expenses	(180,170)	(14,289)	-	(15)	(22,990)	(217,464)
Total non-operating revenue (expenses)	<u>1,019,020</u>	<u>408,752</u>	<u>136,526</u>	<u>170,309</u>	<u>77,084</u>	<u>1,811,691</u>
Income (loss) before contributions and transfers	3,075,530	1,224,213	574,941	(169,206)	(69,378)	4,636,100
Transfers in	-	-	53,047	-	3,213,516	3,266,563
Transfers out	(1,892,895)	(402,951)	(310,646)	-	-	(2,606,492)
Special item - gain (loss) on sale of assets	-	2,500	-	2,250	-	4,750
Change in Net Position	<u>1,182,635</u>	<u>823,762</u>	<u>317,342</u>	<u>(166,956)</u>	<u>3,144,138</u>	<u>5,300,921</u>
Total Net Position - beginning	<u>20,324,367</u>	<u>14,413,615</u>	<u>2,634,170</u>	<u>292,781</u>	<u>-</u>	<u>37,664,933</u>
Total Net Position - ending	<u>\$21,507,002</u>	<u>\$15,237,377</u>	<u>\$ 2,951,512</u>	<u>\$ 125,825</u>	<u>\$ 3,144,138</u>	<u>\$ 42,965,854</u>

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

City of Lamar, Colorado
Statement of Cash Flows
Business-Type Activities
For the year ended December 31, 2022

	Business-type Activities					Totals
	Enterprise Fund					
	Utility	Water	Sanitation	Ambulance	Airport	
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received from Charges for Services	\$ 14,693,910	\$ 3,406,564	\$ 1,500,107	\$ 8,777	\$ 764,580	\$ 20,373,938
Cash Received from Miscellaneous Operating Revenues	-	19,307	-	-	-	19,307
Cash Payments to Suppliers for Goods & Services	(11,204,541)	(1,265,536)	(557,727)	(97,753)	(653,222)	(13,778,779)
Cash Payments for Salaries & Benefits	(937,113)	(739,304)	(562,152)	(405,262)	(199,866)	(2,843,697)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,552,256	1,421,031	380,228	(494,238)	(88,508)	3,770,769
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Customer Deposits Increase (Decrease)	(28,231)	2,100	-	-	-	(26,131)
Increase (Decrease) in Due to other Funds	(8,162)	97,565	145,183	40,479	111,936	387,001
Transfer In	-	-	53,047	-	-	53,047
Transfer Out	(1,892,895)	(402,951)	(310,646)	-	-	(2,606,492)
Miscellaneous Cash Receipts(Disbursements)	1,001,956	499,274	132,675	459,779	79,789	2,173,473
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	(927,332)	195,988	20,259	500,258	191,725	(19,102)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:						
Current Portion of Long Term Debt Paid	(376,823)	(728,562)	(56,005)	-	-	(1,161,390)
Interest Paid on Long-Term Debt & Customer Deposits	(15,237)	(95,558)	-	-	(2,799)	(113,594)
Purchase of Equipment	(1,880,220)	(47,147)	(152,670)	-	(26,237)	(2,106,274)
Cash Received from Sale of Assets	-	2,500	-	2,250	-	4,750
NET CASH (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(2,272,280)	(868,767)	(208,675)	2,250	(29,036)	(3,376,508)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest Received on Investments	32,301	5,036	3,851	658	94	41,940
NET CASH PROVIDED BY INVESTING ACTIVITIES	32,301	5,036	3,851	658	94	41,940
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(615,055)	753,288	195,663	8,928	74,275	417,099
Cash & Cash Equivalents:						
Beginning of Year	10,611,002	1,550,236	2,197,555	73,127	-	14,431,920
End of Year	<u>\$ 9,995,947</u>	<u>\$ 2,303,524</u>	<u>\$ 2,393,218</u>	<u>\$ 82,055</u>	<u>\$ 74,275</u>	<u>\$ 14,849,019</u>

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

City of Lamar, Colorado
Statement of Cash Flows
Business-Type Activities
for the year ended December 31, 2022
(Continued)

	Business-type Activities					Totals
	Enterprise Fund					
	<u>Utility</u>	<u>Water</u>	<u>Sanitation</u>	<u>Ambulance</u>	<u>Airport</u>	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Operating Income (Loss)	\$ 2,056,510	\$ 815,461	\$ 438,415	\$ (339,515)	\$(146,462)	\$ 2,824,409
Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:						
Depreciation & Amortization	827,698	419,358	117,386	110,526	44,097	1,519,065
Change in Assets and Liabilities:						
(Increase) Decrease in Receivables	(131,226)	259,282	(92,803)	(273,231)	(8,932)	(246,910)
(Increase) Decrease in Inventory	(80,385)	(2,201)	-	-	-	(82,586)
Increase (Decrease) in Accrued Liabilities	9,890	(2,722)	5,509	4,186	46	16,909
Increase (Decrease) in Accounts Payable	(130,231)	(68,147)	(88,279)	3,796	22,743	(260,118)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,552,256</u>	<u>\$ 1,421,031</u>	<u>\$ 380,228</u>	<u>\$ (494,238)</u>	<u>\$ (88,508)</u>	<u>\$ 3,770,769</u>
ANALYSIS OF CASH						
Cash & Cash Equivalents	<u>9,995,947</u>	<u>2,303,524</u>	<u>2,393,218</u>	<u>82,055</u>	<u>74,275</u>	<u>14,849,019</u>
Total	<u>\$ 9,995,947</u>	<u>\$ 2,303,524</u>	<u>\$ 2,393,218</u>	<u>\$ 82,055</u>	<u>\$ 74,275</u>	<u>\$ 14,849,019</u>

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

City of Lamar
Notes to Basic Financial Statements
December 31, 2022

Note 1 **Summary of Significant Accounting Policies**

The City of Lamar is a home rule City operating under a charter provided by the authority of the Constitution of the State of Colorado and adopted by its citizens in 1962. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire), street maintenance, water and wastewater treatment, sanitation and landfill operation, parks and recreation, cemetery, planning and development, public improvements, historic preservation, and general administrative services. The City's basic financial statements include the accounts of all City operations.

This summary of the City of Lamar's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accounting policies of the City of Lamar conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

In accordance with Governmental Accounting Standards, the City has considered the possibility of inclusion of additional entities in its basic financial statements. The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based upon the application of these criteria, the following component unit is included in the City's reporting entity because of the significance of its operational or financial relationship to the City.

The Lamar Building Finance Corporation was organized as a nonprofit corporation in 1992 for the purpose of financing the acquisition, construction and equipping of improvements, repairs, renovation, and enlargement to the Lamar Community Building. The Corporation is dependent on the City, the governing board was appointed by the City, the City significantly influences the operations of the corporation, and the Corporation is accountable to the City for financial matters. The corporation is accounted for as a blended component unit of the General Fund.

The City Council established the Lamar Redevelopment Authority (the Authority) by resolution on September 14, 2009 as a tax increment financing entity. As allowed by

statue, the City Council opted to appoint themselves as the governing board of the Authority. The Authority is dependent on property tax revenue, the City significantly influences the operation of the Authority, and the Authority is accountable to the City for financial matters. The Authority is accounted for as a special revenue fund.

The Lamar Housing Authority is not considered a component unit of the City since it is financially independent, it designates its own management, its operations are not significantly influenced by the City, and it is not accountable to the City for fiscal matters.

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 non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental Activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements. The City did not have any fiduciary funds at December 31, 2020.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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

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

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

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund also includes the City's separately budgeted Sales and Use Tax Fund which is considered part of the General Fund for external reporting purposes.

Capital Improvement Fund

The Capital Improvement Fund accounts for construction of capital assets including street improvements, large equipment acquisitions and other capital improvements.

The City also reports the following major proprietary funds:

Water Fund

The Water Fund accounts for all activities necessary for the provision of water services to City residents.

Light and Power Fund

The Light and Power Fund accounts for all activities necessary for the provision of electrical services for area residents and businesses, including agricultural usage.

Sanitation Fund

The Sanitation Fund accounts for all activities necessary for the provision of refuse collection and landfill maintenance.

Ambulance Fund

The Ambulance Fund accounts for all activities necessary for the provision of ambulance services.

Airport Fund

As of January 1, 2022, the Airport Fund accounts for all activities necessary for the provision of the airport.

Budgets and Budgetary Accounting

Annual budgets are adopted as required by Colorado statutes. Formal budgetary integration is employed as a management control device during the year.

- | | |
|-------------|--|
| August 25 | Assessors must submit abstracts of assessments, reflecting all assessed values of property in the County by class and subclass to the Division of Property Taxation. Deadline for County Assessors to certify to all taxing entities and the Division of Local Government of the new total assessed valuation and the amounts for the various factors needed to compute the statutory property tax revenue limits. |
| October 15 | Statutory deadline for submission of proposed budget to the local governing body. "Notice of Budget" to be published when budget received. |
| December 15 | Statutory deadline for certification of mill levies to the Board of County Commissioners. Local governments levying a property tax must adopt their budgets before certifying the levy to the County. Local governing body shall enact an ordinance or resolution making appropriations for the ensuing fiscal year. |
| December 22 | Statutory deadline for Board of County Commissioners to levy all taxes and certify the levies. |

Budgetary comparisons in this report are presented on the GAAP basis, except for proprietary funds that are on a non-GAAP basis.

Appropriations are adopted by ordinance. Over-expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations. All appropriations lapse at year end.

Supplemental budgets were adopted due to unanticipated revenues and expenditures.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of three months or less. The City pools cash from several funds for the purpose of increasing investment returns. Investment returns are allocated to individual funds based on average balances of the funds.

Reserved Cash and Restricted Cash

Resources set aside for the repayment of bonds and landfill closure and post-closure costs are restricted by applicable bond covenants or bond ordinance agreements. Restricted cash is included in cash and cash equivalents for financial reporting purposes.

Property Taxes

Property taxes for the City are levied by the City Council and certified for collection to Prowers County by December 15 of each year. These taxes become due January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. Property taxes levied in the current year for collection in the subsequent year by the General Fund are included in receivables and deferred inflows at year end. These taxes are classified as deferred inflows since they were levied for and are not available to the City until the subsequent year.

Receivables

The City is reporting receivables net of allowances in the General, Water & Wastewater, Light and Power, Sanitation, and Ambulance Funds. The City will review accounts receivable balances and write off accounts that are deemed uncollectible.

Inventory

Inventories are valued at cost, using the first-in, first-out (FIFO) method.

Property, Plant and Equipment

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For land and land improvements, vehicles and heavy equipment all costs are capitalized. For buildings and building improvements, leasehold improvements, and infrastructure the cost is \$50,000 or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Property and equipment of the City is depreciated using the straight-line method over the following useful lives.

Buildings and Improvements	15-50 Years
Equipment	5-30 Years
Infrastructure	30-50 Years

Compensated Absences

On January 1st of each calendar year, eligible employees shall be granted up to 21 days of paid annual leave to be used by December 31st of that calendar year. The number of days of vacation available to each employee in any calendar year shall be based on the employee’s years of service with the City and reference to the following schedule. An employee’s years of service for purposes of this section will be calculated as of December 31st of the current calendar year.

Years of Service as of December 31, of the current year	No. Days of Leave
Less than 2 years	10 Days
2 years – 10 years	15 Days
11 years – 15 years	18 Days
16 years and more	21 Days

Annual leave is granted, and is intended to be used, on a calendar year basis. Annual leave not used before December 31st, does not carry-over to the next year.

All regular employees are eligible for annual leave benefit upon commencement of employment.

Regular part-time employees shall receive a pro-rated annual leave benefit of 50% of the full-time benefit.

New employees still serving the introductory period will not be eligible to use the annual leave benefit during the introductory period.

Part-time or temporary employees are not eligible for annual leave.

Effective December 31, 2018, the City converted the existing vacation leave hours for each employee, that were earned under the provisions of the City’s former Personnel Management Manual and which were eligible for “carryover” to the new calendar year, to “banked hours” under the new personnel policy. The banked hours balance carried over shall continue to be accounted for as a separate benefit in individual employee banked hours accounts. These banked hours are in addition to the current annual leave for each employee.

On January 1st of each year regular full-time and regular part-time employees shall be granted ten (10) days of sick leave which may be used during the current calendar year.

The sick leave benefit is granted and is intended to be used on an annual basis. Sick leave which is not used by December 31st of each calendar year does not carry-over from year-to-year.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows and inflows of resources. These separate financial statement elements, deferred outflows of financial resources and deferred inflows of financial resources, represent a usage or acquisition of net position that applies to a future

period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until a future period. The government has three types of items, which arise under the full accrual basis of accounting for both types and modified accrual basis of accounting, in the case of unearned property taxes, that qualify for reporting in these categories. The deferred charge on refunding is reported as a deferred outflow for the governmental activities' presentation. The other item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. The final item, included in governmental activities and at the enterprise fund level, are deferred outflows and inflows related to pension and OPEB, as further described in Note 6 and Note 7. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and will be recognized as an outflow or inflow of resources in the period that the amounts become recognizable as an expense or available, respectively. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. In the case of the deferred outflow, the charge will be recognized proportionately as the outstanding principal is repaid.

Net Position/Fund Balance

In the government-wide financial statements and for the proprietary fund statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balances are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by the highest formal action, the adoption of an Ordinance, of the government's highest level of decision-making authority, the City Council, are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund or deficits in the other governmental funds are presented as unassigned.

Net Position/Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Cash Reserves – Utility Fund

Lamar Utilities Board has a fiduciary responsibility to make sure the utility is financially healthy and sound to meet its obligation of providing safe and reliable electrical service to its customers. It is a prudent utility operation to maintain six months of cash reserves to cover its utility operations, liabilities and risks that include the following:

- 1960's Electromechanical feeder protection relays and switchgear upgrade;
- Wind turbine gearbox replacement in case of failure;
- Decommissioning of three (3) wind turbines that are approaching end of life;
- Decommissioning of seventy-nine (79) miles of natural gas pipeline that is used to supply natural gas to a retired power plant;
- Five (5) major feeders that run underground from the old power plant to Beech Street tower The construction of a proposed Willow Valley substation;
- Legal and litigation fees;
- Storm related damage to our distribution system as our insurance will only cover up to \$500k.

The cash reserve that the Lamar Utilities Board maintains will help cover some of these costs.

Note 2

Cash and Investments

The City’s cash and investment balances are comprised of the following:

Petty Cash	\$	4,350
Cash Accounts		26,344,954
Total Cash and Investments	\$	<u>26,349,304</u>

Deposits

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government’s deposits may not be returned to it. The City’s deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution’s internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2022, all of the City’s deposits as shown above were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

Investments

Credit Risk

The City invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) Safety, 2) Liquidity, and 3) Yield. The City Clerk is responsible for all of the investments of the City.

Eligible investments shall conform to state law and may include any of the following:

- Obligations of the United States and certain U.S. government agencies securities;
- Certain international agency securities;
- General obligation and revenue bonds of U.S. local government entities;
- Bankers’ acceptance of certain banks;

- Commercial paper;
- Local government investment pools;
- Written repurchase agreements collateralized by certain authorized securities;
- Certain money market funds;
- Guaranteed investment contracts.

The City is subject to Colorado statutes, which define eligible investments for local governments. Eligible investments include bonds and other interest-bearing obligations of or guaranteed by US government or its agencies, bonds which are direct obligations of the State of Colorado or any of its political subdivisions, repurchase agreements, commercial paper, guaranteed investment contracts and local government investment pools.

Interest Rate Risk

The City manages its interest rate risk by setting a maximum maturity date no more than five years from the date of purchase unless otherwise authorized by the City Council.

Concentration of Credit Risk

The City places no limit on the amount that may be invested in any one issuer.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City was not exposed to custodial credit risk during the fiscal year.

Note 3 Capital Assets

The following schedule presents changes in governmental activities capital assets during 2022:

Governmental Activities:	Balance 12/31/2021	Increases	Decreases	Balance 12/31/2022
Capital asset not being depreciated:				
Land	\$ 581,457	\$ -	\$ -	\$ 581,457
Construction in progress	4,836,000	409,306	-	5,245,306
Total capital assets not being depreciated	5,417,457	409,306	-	5,826,763
Capital asset being depreciated:				
Equipment	4,129,653	663,378	-	4,793,031
Vehicles	4,556,849	-	-	4,556,849
Buildings	5,371,419	-	-	5,371,419
Infrastructure	18,303,660	-	(3,608,657)	14,695,003
Total capital assets being depreciated	32,361,581	663,378	(3,608,657)	29,416,302
Accumulated Depreciation	(17,653,189)	(964,923)	392,141	(17,261,048)
Total capital assets being depreciated, net	14,708,392	(301,545)	(3,216,516)	12,155,254
Governmental activity capital assets, net	\$ 20,125,849	\$ 107,761	\$ (3,216,516)	\$ 17,017,094

Depreciation has been charged to the various functions and programs as follows:

Government Activities	
General government	\$ 189,662
Public safety	269,229
Public works	44,718
Library	77,320
Culture and recreation	266,266
Infrastructure	117,728
Total depreciation expense, Governmental Activities	\$ 964,923

The following schedule presents business-type activities capital assets at December 31, 2022:

Business-Type Activities	Balance 12/31/2021	Increases	Decreases	Balance 12/31/2022
Capital asset not being depreciated:				
Land	\$ 789,662	\$ -	\$ -	\$ 789,662
Intangibles and water rights	1,591,216	-	-	1,591,216
Construction in progress	6,367,075	-	(6,226,355)	140,720
Total capital assets not being depreciated	8,747,953	-	(6,226,355)	2,521,598
Capital asset being depreciated:				
Equipment	17,896,124	950,736	(69,840)	18,777,020
Buildings and improvements	8,556,861	-	-	8,556,861
Distribution systems	33,184,847	6,369,325	(102,605)	39,451,567
Airport improvements	-	3,608,657	-	3,608,657
Total capital assets being depreciated	59,637,832	10,928,718	(172,445)	70,394,105
Accumulated Depreciation	(35,403,103)	(1,833,656)	172,445	(37,064,314)
Total capital assets being depreciated, net	24,234,729	9,095,062	-	33,329,791
Governmental activity capital assets, net	\$ 32,982,682	\$ 9,095,062	\$ (6,226,355)	\$ 35,851,389

Depreciation has been charged to the various functions and programs as follows:

Business-Type Activities	
Light & Power	\$ 827,698
Water	419,358
Sanitation	117,386
Ambulance	110,526
Airport	44,097
Total depreciation expense, Business-Type Activities	\$ 1,519,065

During 2022, assets totaling \$3,608,657 and depreciation totaling \$314,591 were transferred from general fixed assets to the airport fund. The amounts are shown above as an increase in airport improvements and an increase in depreciation expense.

Note 4 Long-Term Obligations

Changes in governmental activity long-term obligations are as follows:

Governmental Activities	Balance 12/31/21	Advances	Repayments	Balance 12/31/22	Current Portion
Honeywell Lease	\$ 248,819	\$ -	\$ (164,929)	\$ 83,890	\$ 83,890
Equipment Capital Leases	1,146,994	420,769	(292,895)	1,274,868	284,912
Accrued Compensated Absences	458,353	-	-	458,353	91,671
Total Governmental Activities	\$ 1,854,166	\$ 420,769	\$ (457,824)	\$ 1,817,111	\$ 460,473

Changes in business-type activity long-term obligations are as follows:

Business-Type Activities	Balance 12/31/21	Advances	Repayments	Balance 12/31/22	Current Portion
CWRPDA Note Payable	\$ 3,264,737	\$ -	\$ (356,280)	\$ 2,908,457	\$ 359,755
2015 CWCB Note Payable	507,463	-	(17,087)	490,376	17,471
2017 CWCB Note Payable	67,820	-	(7,916)	59,904	8,071
2016 DWRF Note Payable	166,175	-	(6,516)	159,659	6,516
2021 DWRF Note Payable	1,089,200	-	(19,920)	1,069,280	34,351
Honeywell Acquisition Lease	1,543,717	-	(263,398)	1,280,319	277,134
2020 Frontier Bank	308,654	-	(57,445)	251,209	59,393
Total Water & Sewer Fund	6,947,766	-	(728,562)	6,219,204	762,691
2013 Revenue Bonds - L&P	753,310	-	(371,914)	381,396	381,396
PERA Net Pension Liability	1,398,258	-	(1,594,493)	(196,235)	-
Net OPEB Liability	42,493	-	(195,940)	(153,447)	-
Total Utility Fund	2,194,061	-	(2,162,347)	31,714	381,396
IRE Enterprises, LLC	-	59,053	(6,747)	52,306	7,092
Total Airport Fund	-	59,053	(6,747)	52,306	7,092
Community State Bank	113,550	-	(56,005)	57,545	57,545
Landfill Post closure Liability	361,532	3,738	-	365,270	-
Total Sanitation Fund	475,082	3,738	(56,005)	422,815	57,545
Accrued Compensated Absences – All Enterprise Funds	366,682	-	-	366,682	-
Total Business-type Activities	\$ 9,983,591	\$ 3,738	\$(2,946,914)	\$ 7,040,415	\$1,201,632

Business-Type Activities

Colorado Water Resources and Power Development Authority Loans

On May 27, 2010, the City received loan funds totaling \$2,000,000 from the Colorado Water Resources and Power Development Authority (CWRPDA) Water Pollution Control Revolving Fund program for upgrades to the water system. The loan bears interest at 2% and requires semi-annual principal and interest payments through May 1, 2031. Payments are made through the Water Fund.

On December 17, 2009, the City was awarded loan funds totaling \$5,020,000 from CWRPDA Drinking Water Revolving Fund to finance the relocation of the existing chlorine building, storage tank improvements, and installation resource project. This loan matures in 2031 and is split with \$3,952,375 being noninterest bearing and \$1,067,625 bearing interest at 2.5%. The loan requires semi-annual principal and interest payments through June 15, 2030. Payments are made through the Water Fund.

On August 26, 2016, the City received loan funds totaling \$195,500 from the CWRPDA Drinking Water Revolving Fund for the replacement of the distribution and service pipelines. The loan is noninterest bearing and requires semi-annual principal payments through May 1, 2047. Payments are made through the Water Fund. The loan also

contains an additional \$1,417,300 of proceeds subject to loan forgiveness at the discretion of the Authority.

A summary of payments follows for the CWRPDA Loans:

CWRPDA Loans			
Fiscal Year	Principal	Interest	Total
2023	\$ 359,755	\$ 375,419	\$ 735,174
2024	363,046	356,531	719,577
2025	366,761	356,816	723,577
2026	384,217	357,240	741,457
2027	401,673	357,664	759,337
2028-2032	1,032,915	91,969	1,124,884
Total	\$ 2,908,367	\$ 1,895,639	\$ 4,804,006

Colorado Water Conservation Board Loans

On November 10, 2014, the City received loan funds totaling \$616,994 from the Colorado Water Conservation Board (CWCB) for upgrades to the water transmission lines. The loan bears interest at 2.25% and matures in 2044.

Principal and Interest is payable on the outstanding loans as follows:

CWCB Loans			
Fiscal Year	Principal	Interest	Total
2023	\$ 17,471	\$ 11,034	\$ 28,505
2024	17,864	10,641	28,505
2025	18,266	10,239	28,505
2026	18,677	9,828	28,505
2027	19,097	9,408	28,505
2028-2031	102,130	40,395	142,525
2032-2036	114,148	28,377	142,525
2037-2041	127,580	14,945	142,525
2042-2044	55,143	30,372	85,515
Total	\$ 490,376	\$ 165,239	\$ 655,615

During 2017, the City of Lamar Water and Sewer Fund borrowed \$195,500 from the Drinking Water Revolving Fund. The terms of repayment are annual payments of \$6,516 with no interest and the final payment due May 2047.

Drinking Water Revolving Fund			
Fiscal Year	Principal	Interest	Total
2023	\$ 6,516	\$ -	\$ 6,516
2024	6,516	-	6,516
2025	6,516	-	6,516
2026	6,516	-	6,516
2027	6,516	-	6,516
2028-2032	32,580	-	32,580
2033-2037	32,580	-	32,580
2038-2042	32,580	-	32,580
2043-2047	29,339	-	29,339
Total	\$ 159,659	\$ -	\$ 159,659

On June 17, 2016, the City received loan funds totaling \$101,000 from the Colorado Water Conservation Board (CWCB) for upgrades to the water transmission lines. The loan bears interest at 1.95% and matures ten years from substantial project completion. Principal and interest will be due annually. Principal and interest is payable on the outstanding loans as follows:

CWCB Loans			
Fiscal Year	Principal	Interest	Total
2023	\$ 8,071	\$ 1,167	\$ 9,238
2024	8,228	1,100	9,328
2025	8,388	940	9,238
2026	8,551	687	9,238
2027	8,718	520	9,238
2028	8,888	350	9,238
2029	9,060	18,654	27,714
Total	\$ 59,904	\$ 23,328	\$ 83,232

On March 3, 2020, the City purchased a truck for the Water Fund at a cost of \$430,000. The purchase was financed with seven annual payments of \$67,839, principal and interest, with an interest rate of 3.39%. Principal and interest is payable on the loan as follows:

Frontier Bank Loan			
Fiscal Year	Principal	Interest	Total
2023	\$ 59,393	\$ 8,446	\$ 67,839
2024	61,406	6,433	67,839
2025	63,488	4,351	67,839
2026	66,922	142	67,064
Total	\$ 251,209	\$ 19,372	\$ 270,581

During 2021, the City of Lamar Water and Sewer Fund borrowed \$1,089,200 from the Drinking Water Revolving Fund. The repayments terms call for annual payments of \$39,655, principal and interest, after the 2022 payment of \$23,089, principal and interest. Interest is at 0.50%. The final payment is due November 2051.

Drinking Water Revolving Fund			
Fiscal Year	Principal	Interest	Total
2023	\$ 34,351	\$ 5,304	39,655
2024	34,524	5,131	39,655
2025	34,697	4,958	39,655
2026	34,870	4,785	39,655
2027	35,045	4,610	39,655
2028-2032	177,873	20,402	198,275
2033-2037	182,372	15,903	198,275
2038-2042	186,981	11,294	198,275
2043-2047	191,710	6,565	198,275
2048-2051	156,857	41,418	198,275
Total	\$ 1,069,280	\$ 120,370	\$ 1,189,650

Electric Revenue Bonds

In 2013, the City fully refunded 2004 Electric Enterprise Revenue Bonds by issuing Revenue Bonds in the amount of \$3,490,000. The 2013 bonds bear interest at 2.55%. Interest is payable semi-annually on January 1st and July 1st of each year.

Electric Refunding Bonds			
Fiscal Year	Principal	Interest	Total
2023	\$ 381,396	\$ 4,971	\$ 386,367

During 2019, the City of Lamar Sanitation Fund borrowed \$221,102 for equipment. The terms of repayment are four annual payments of \$59,127, principal and interest with interest at the rate of 2.75%.

Fiscal Year	Principal	Interest	Total
2023	\$ 57,544	\$ 1,582	\$ 59,127

During 2019, the City of Lamar Ambulance Fund borrowed \$100,388 for the purchase of a 2019 Ford Ambulance. Repayments terms require four annual payments of \$26,845 including principal and interest with interest at 2.75%.

Fiscal Year	Principal	Interest	Total
2023	\$ 26,127	\$ 718	\$ 26,845

During 2021, the City purchased a fuel truck to be used at the airport. Collateral for the fuel truck is the fuel truck. Interest is at 5.00%. Payments are as follows.

Fiscal Year	Principal	Interest	Total
2023	\$ 7,092	\$ 2,454	\$ 9,546
2024	7,454	2,092	9,546
2025	7,835	1,711	9,546
2026	8,237	1,309	9,546
2027	8,658	888	9,546
2028	9,101	445	9,546
2029	3,929	48	3,977
Total	\$ 53,956	\$ 8,947	\$ 61,253

Honeywell Lease Payable – Governmental and Business-Type Activities

The Honeywell acquisition lease is for energy efficiency improvements in the amount of \$4,456,988 which is being repaid through both the General Fund and the Water Fund. The lease began in December of 2012 with the final payment date in June of 2027. The lease bears interest of 2.8% and has a purchase option. Payments are due every quarter of the year and range from \$55,943 to \$120,305 during the lease term. A summary of the future lease payments follows:

Fiscal Year	Honeywell Capital Lease					
	Business-Type Activities			Governmental Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 277,134	\$ 34,866	\$ 312,000	\$ 83,890	\$ 722	\$ 84,612
2024	251,965	28,157	280,122	-	-	-
2025	226,796	21,204	248,000	-	-	-
2026	256,796	14,204	271,000	-	-	-
2027	267,628	14,206	281,834	-	-	-
Total	\$ 1,280,319	\$ 112,637	\$ 1,392,956	\$ 83,890	\$ 722	\$ 84,612

Governmental Activities

Capital Lease Payable

In 2016, the City entered into a lease purchase agreement for a 2014 Pierce Aerial fire truck. The lease requires annual base rentals of \$74,728 consisting of both principal and interest at 3.49% on May 5th of each year starting in 2016. Assets with a remaining basis of \$528,894 were capitalized as part of this lease.

In 2016, the City entered into a lease purchase agreement for three 2016 Police pickup trucks. The lease requires annual base rentals of \$16,554 consisting of both principal and interest at 2.99% on May 27th of each year starting in 2017. Payments are made through the General Fund. Assets with a remaining basis of \$28,580 were capitalized as part of this lease.

In 2017, the City entered into a lease purchase agreement for two 2017 Dodge Ram pickup trucks. The lease requires annual base rentals of \$7,545 consisting of both principal and interest at 2.97% on June 15th of each year starting in 2017. Assets with a remaining basis of \$40,297 were capitalized as part of this lease.

In 2018, the City entered into a lease purchase agreement for a Pierce Freightliner Type-3 Fire Truck. The lease requires 10 annual base rentals of \$43,223 consisting of both principal and interest at 3.95% on October 1st of each year starting in 2018.

A summary of the capital lease payments follows:

Fiscal Year	Aerial Fire Truck Payment	Fire Truck Payment	Totals
2023	\$ 74,728	\$ 43,223	\$ 117,951
2024	74,728	43,223	117,951
2025	74,534	43,223	117,757
2026	-	43,223	43,223
2027	-	43,223	43,223
Total Future Payments	223,990	216,115	440,105
Less: Interest Portion	(18,264)	(23,735)	(41,999)
Present Value of Payments	\$ 205,726	\$ 192,380	\$ 398,106

In 2020, the City entered into a finance agreement to buy three vehicles for use by the police department. The note calls for five payments of \$14,691 each, with the first payment due April 1, 2020 and four annual payments of the \$14,691 each due April 1 with interest at 3.24%. Future payments are:

Fiscal Year	GN Bank N. A.		
	Principal	Interest	Total
2023	\$ 13,784	\$ 907	\$ 14,691
2024	14,230	461	14,691
Total	\$ 28,014	\$ 1,368	\$ 29,382

During 2021, the City entered into a lease purchase agreement for 2 Dodge Ram 1500 pickups for \$57,646. The note calls for five annual payments beginning July 2021 of \$12,188 principal and interest, each. The note is secured by the vehicles. Interest is at 2.89%. Future payments are:

Community State Bank			
Fiscal Year	Principal	Interest	Total
2023	\$ 11,200	\$ 988	\$ 12,188
2024	11,520	668	12,188
2025	11,850	338	12,188
Total	\$ 34,570	\$ 1,994	\$ 36,564

During 2021, the City entered into a lease purchase agreement for surveying equipment for \$50,290. The note calls for five annual payments beginning July 2021 of \$12,188 principal and interest, each. The note is secured by the equipment. Interest is at 2.89%. Future payments are:

GN Bank N. A.			
Fiscal Year	Principal	Interest	Total
2023	\$ 9,757	\$ 902	\$ 10,659
2024	10,049	610	10,659
2025	10,351	308	10,659
Total	\$ 30,157	\$ 1,820	\$ 31,977

During 2021, the City entered into a lease purchase agreement for a 2021 Pierce Fire Truck for \$590,598. The note calls for ten annual payments beginning September 2021 of \$65,945 principal and interest, each. The note was secured by the fire truck. Interest is at 2.99%. Future payments are:

GN Bank N. A.			
Fiscal Year	Principal	Interest	Total
2023	\$ 53,956	\$ 11,989	\$ 65,945
2024	55,326	10,619	65,945
2025	56,732	9,213	65,945
2026	58,173	7,772	65,945
2027	59,650	6,295	65,945
2028	61,165	4,780	65,945
2029	62,719	3,226	65,945
2030	64,312	1,638	65,950
Total	\$ 472,033	\$ 55,532	\$ 527,565

During 2022, the City entered into 3 separate lease purchase agreements for 3 vehicles. Collateral for the 3 leases are the vehicles. Interest is 2.69%, 2.76%, and 2.76%. Payments are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 8,974	\$ 1,005	\$ 9,979
2024	9,215	764	9,979
2025	9,463	516	9,979
2026	9,718	261	9,979
Total	\$ 37,370	\$ 2,546	\$ 39,916

Fiscal Year	Principal	Interest	Total
2023	\$ 6,722	\$ 733	\$ 7,495
2024	6,908	587	7,495
2025	7,098	397	7,495
2026	7,295	200	7,495
Total	\$ 28,023	\$ 1,957	\$ 29,980

Fiscal Year	Principal	Interest	Total
2023	\$ 6,575	\$ 756	\$ 7,331
2024	6,756	575	7,331
2025	6,943	388	7,331
2026	7,134	197	7,331
Total	\$ 27,408	\$ 1,916	\$ 29,324

Accrued Compensated Absences – Governmental and Business-Type Activities

The City maintains a liability to pay its employees for sick and vacation leave based on the vesting schedules previously described in the footnotes. The balances of these accruals are shown in the above tables.

Note 5 Interfund Transactions

The City has recorded the following routine transfers:

	Transfers In	Transfers Out
General Fund	\$ 7,520,617	\$ 260,130
Sanitation Fund	53,046	310,645
Water Fund	-	402,951
Utility Fund	-	1,892,895
Nonmajor Govt. Funds	260,130	4,967,172
Totals	\$ 7,883,793	\$ 7,833,793

Note 6

Employee Benefit Plans

Defined Benefit – PERA

In 1992, the City’s employees, except for Light and Power Fund employees, voted to terminate their participation in PERA. Their respective share of PERA was withdrawn and rolled over into a defined contribution plan. All of the City’s full-time Light and Power Fund employees participate in PERA.

Summary of Significant Accounting Policies

Pensions. The City’s Light and Power Fund, via the Lamar Utilities Board (“LUB”), participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deduction from the fiduciary net position of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees’ Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability on the Plan Within the Next Thirty Years.*

Plan Description

Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 CCR 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly.

The Trust Fund serves as a defined benefit retirement plan where retirees receive a monthly benefit for their lifetime, and generally, an annual increase each year, as eligible. Members of affiliated employers are eligible to receive a lifetime monthly retirement benefit when certain age and service credit requirements are met. These eligibilities vary by the membership date and consider credited service at key dates. The benefits are based upon a defined or fixed multiplier, age, years of credited service, and highest average salary (HAS). For most employees, HAS, as of December 31, 2020, is one-twelfth of the average of the highest annual salaries that are associated with three periods (five periods, under certain circumstances) of 12 consecutive months under PERA-covered employment. The basic retirement benefit equals $2.5\% \times HAS \times \text{Years of Service}$. If a member reaches early retirement eligibility and wishes to begin benefit payments prior to achieving the full retirement requirements, then the monthly amount is reduced to consider the early receipt of monthly payments. Alternatively, if greater, a lifetime benefit is available that is calculated by annuitizing the member’s account. At benefit commencement, the member can choose from different payment options, some of which can continue after the retiree’s death to a named beneficiary, and for which the benefit amount is appropriately adjusted.

In addition to retirement benefits, the Trust Fund provides refund opportunities with matching employer dollars, if eligible, when leaving covered employment, and disability retirement and survivor benefits for those meeting certain criteria.

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

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2%, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA’s Annual Increase Reserve for the LGDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Employer Contributions

Employers are required to contribute to the Trust Fund at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Employer contribution requirements, as a percentage of salary, are summarized on the table below:

	2021
Employer Contribution Rate	10.50%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	-
Amount apportioned to the Trust Fund	9.48%
Amortization equalization disbursement (AED) as specified in C.R.S. § 24-51-411	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. § 24-51-411	1.50%
Total Employer Contribution rate to the Trust Fund	13.20%

Note: Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42)

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the LUB is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$224,805 for the year ended December 31, 2021.

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

At December 31, 2021, the LUB reported a liability of \$196,236 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2021. The LUB proportion of the net pension liability was based on the LUB contributions to the LGDTF for the calendar year 2020 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2022, the LUB proportion was 0.228881%, which is approximately the same proportion measured as of December 31, 2020.

For the year ended December 31, 2021, the LUB recognized pension expense of \$487,516. At December 31, 2021, the LUB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 9,590	\$ 3,277
Changes of assumptions or other inputs	66,588	-
Net difference between projected and actual earnings on pension plan investments	204,557	1,902,035
Changes in proportion and differences between contributions recognized and proportionate share of contributions-plan basis	-	-
Contributions subsequent to the measurement date	224,805	-
Total	\$ 505,540	\$ 1,905,312

\$224,805 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2023.

Actuarial assumptions

The December 31, 2020 valuation used the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20 – 11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)*	1.00%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2020, and the financial status of the Trust Fund as of the prior measurement date (December 31, 2020). In addition, the following methods and assumptions were used in the projection of cash flows:

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

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 AAP assessment, and the additional 0.50%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of City proportionate share of the net pension liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability/(asset)	\$ 1,345,506	\$ (196,235)	\$ (1,485,836)

Pension plan fiduciary net position

Detailed information about the LGDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Defined Contribution Plans – Money Purchase Pension Plan

The City reinstated and administered a money purchase pension plan, effective June 1, 2010. All City employees except Light and Power employees, policemen, and volunteer firemen are covered under this defined contribution plan if they meet eligibility requirements specified in the plan document. Participants are required to contribute 8% of their eligible wages and can voluntarily contribute an additional 6% of compensation through the City’s 457 voluntary contribution plan. The City is required to contribute 9% of allowable compensation for retirement benefits.

The policemen have established a money purchase defined contribution pension plan (FPMP for new hires). FPMP may be amended by action of the Retirement Board with the approval of at least 65% of actively employed eligible employees and former employees entitled to FPMP benefits. The plans are maintained through Fidelity Advisor Funds and American Century Funds. The participants are required to contribute 8% of their eligible salaries, and the City contributes 9%. For 2022, the City contributed \$74,968 and participants contributed \$64,150.

Deferred Compensation Plan – 457 Plan

In 1997, the City offered its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan is available through ICMA Retirement Corporation.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City’s general creditors. Participants’ rights under

the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

Volunteer Firefighters' Pension Plan

Plan Description

On July 1, 2006, the City's Volunteer Plan affiliated with FPPA under CRS 31-30-1005(l)(k), as amended, at which time all plan assets were transferred to FPPA for financial administration. Under FPPA administration, the City's Volunteer Plan is an "affiliated local plan" that is part of an agent multiple-employer Public Employee Retirement System (PERS). Assets of the Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension Plan administered by FPPA.

Under the FPPA affiliation agreement, the City is responsible for the collection and transmission of all contributions to the Plan. FPPA is responsible for the physical safekeeping and investing of such contributions, as well as for making the appropriate and legally authorized payments of pension benefits and other expenses of the Plan.

All City volunteer firefighters participate in this non-contributing local defined benefit pension plan administered by FPPA. For the year ended December 31, 2019, the City has acted as the trustee for the plan and has authority to amend benefit provisions.

The Plan does not issue separate financial statements. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to FPPA of Colorado, 5290 DTC Parkway, Suite 100, Englewood, Colorado 80111-2721, or by calling FPPA at (303) 770-3772 in the Denver metro area and 1-800-332-FPPA (3772) from outside the metro area.

Description of Benefits

The Plan provides retirement benefits for Members and beneficiaries according to Plan provisions as enacted and governed by the Firefighters Pension Board. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the Plan. A participant becomes fully vested after 10 years of active service and reaching age 50. The plan also provides for a lump-sum burial benefit upon the death of an active or retired firefighter Benefits provided are as follows:

Age and service retirement after age 50 with 20 years of credited service (monthly)	\$250
Disability retirement benefit:	
Temporary	-
Permanent	-
Surviving spouse death benefit:	
Following death before retirement eligible, death in line of duty	-
Following death after normal retirement	\$125
Following death after vested retirement with 10 to 20 years of service, amount per year of service per minimum vesting years	-
Funeral benefit, lump sum	\$100

Contributions

The City makes contributions in accordance with the Plan per provisions in the Plan document and Colorado statutes based on Trustees established benefits and funding requirements based on an actuarial study. The City contributes to the Volunteer Fire Department Pension Fund at a rate determined in the following manner: at least every three (3) years, the Volunteer Fire Department Pension Fund shall have an actuarial study prepared to determine the funds required. The required funds will be paid annually from general revenues of the City into the Volunteer Fire Department Pension Fund. The Volunteer Firefighter's Pension Plan receives contributions from the City in an amount not to exceed one half mill of property tax revenue.

As established by the legislature, the State of Colorado contributes up to 90% of the City's contribution. The contributions are not actuarially determined.

The financial statements of the volunteer Plan are prepared using the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. The investments are presented at fair value except for short-term investments that are recorded at cost, which approximates fair value.

Administrative costs of the Plan are paid from the pension fund (CRS 31-30.5-204(3)). There are no investments in, loans to, or leases with parties related to the Plan.

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

Net Pension Liability/(Asset)	
Total Pension Liability	\$ 355,158
Plan Fiduciary Net Position	(1,479,797)
Net Pension Liability/(Asset)	<u>\$ (1,124,639)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	416.66%
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	N/A
Development of the Single Discount Rate	
Single Discount Rate	7.00%
Long-Term Expected Rate of Investment Return	7.00%
Long-Term Municipal Bond Rate	1.84%
Last year ending December 31 in the 2021 to 2121 projection period for which projected benefit payments are fully funded	2121
Total Pension Expense/(Income)	\$ (109,228)

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 20,814	\$ 50,457
Changes in assumptions	9,017	-
Net difference between projected and actual earnings on pension plan investments	14,919	153,077
Total	\$ 44,750	\$ 203,534

Actuarial Assumptions

The January 1, 2019 actuarial valuation was used to determine the Actuarially Determined Contribution for the fiscal years ending December 31, 2020 and 2021.

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2020:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open *
Remaining Amortization Period	20 Years *
Asset Valuation Method	5 – Year smoothed fair value
Inflation	2.50%
Salary Increase	N/A
Investment Rate of Return	7.00%
Retirement Age	50% per year eligibility until 100% at age 65
Mortality	<p>Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.</p> <p>Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.</p> <p>Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.</p>

* Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	2.00%	2.32%
Fixed Income – Rates	10.00%	4.00%
Fixed Income – Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Long Short	8.00%	6.87%
Global Equity	39.00%	8.23%
Private Markets	26.00%	10.63%
Total	100.00%	

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate for the Measurement Period Ended December 31, 2021

The following presents the City's net position calculated using the discount rate of 7.00%, as well as what the City's net position would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.0%)	Current Single Discount Rate (7.0%)	1% Increase (8.0%)
Proportionate Share of the Net Pension (Asset)	\$ (899,299)	\$ (948,309)	\$ (987,781)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued FPPA financial report.

Changes in net pension liability for the City’s agent multiple-employer plan is listed below:

A. Total Pension Liability	
1. Service Cost	\$ 4,392
2. Interest on the Total Pension Liability	23,438
3. Benefit Changes	-
4. Difference Between Expected and Actual Experience on the Total Pension Liability	-
5. Changes of Assumptions	-
6. Benefit Payments	(10,500)
7. Net Changes in Total Pension Liability	<u>17,330</u>
8. Total Pension Liability - Beginning	<u>337,828</u>
9. Total Pension Liability - Ending	<u>\$ 355,158</u>
B. Plan Fiduciary Net Position	
1. Contributions - Employer	\$ 6,592
2. Net Investment Income	191,188
3. Benefit Payments	(10,500)
4. Pension Plan Administrative Expense	(5,484)
5. State of Colorado Supplemental Discretionary Payment	<u>11,864</u>
6. Net Change in Plan Fiduciary Net Position	<u>193,660</u>
7. Plan Fiduciary Net Position - Beginning	<u>1,286,137</u>
8. Plan Fiduciary Net Position - Ending	<u>\$ 1,479,797</u>
C. Net Pension Liability/(Asset) – (Item A.9 – Item B.8)	<u>\$ (1,124,639)</u>
D. Plan Fiduciary Net Position as a percentage of the Total Pension Liability – (Item B.8 / Item A.9)	416.66%
E. Covered Employee Payroll	N/A
F. Net Pension Liability/(Asset) as a percentage of Covered Payroll	N/A

Membership

As of the January 1, 2021 measurement date, pension plan membership consisted of the following:

Retirees and Beneficiaries	5
Inactive, Nonretired Members	1
Active Members	<u>26</u>
Total	<u>32</u>
Covered Payroll	N/A

Note 7

Post Employment Healthcare Benefits

Health Care Trust Fund

Summary of Significant Accounting Policies

The City's Light and Power Fund (LUB) participates in the Health Care Trust Fund (HCTF), a cost sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan Description

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

Benefits Provided

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit

recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 (actual dollars) per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 (actual dollars) per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year, less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the LUB is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from LUB were \$16,839 for the plan year ended December 31, 2020.

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

At December 31, 2022, the LUB reported a liability of \$153,447 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of

December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. The LUB's proportion of the net OPEB liability was based on LUB's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the LUB's proportion was 0.017795%, which was approximately the same as its proportion measured as of December 31, 2020.

For the year ended December 31, 2021, the LUB recognized OPEB expense of \$156. At December 31, 2021, the LUB reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 234	\$ 36,384
Changes of assumptions/other inputs	3,177	8,323
Net difference between projected and actual earnings on pension plan investments	1,073	10,571
Changes in proportion and differences between contributions recognized and proportionate share of contributions – Plan Basis	-	-
Contributions subsequent to the measurement date	17,373	-
Total	\$ 21,857	\$ 55,278

\$17,373 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023.

Actuarial assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	.7%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% - 11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health Care Cost Trend Rates PERA Benefit Structure:	
Service-based Premium Subsidy	0.00%
PERACare Medicare Plans	4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029
Medicare Part A Premiums	3.75% for 2021, gradually increasing to 4.50% in 2029

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

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

The 2021 Medicare Part A premium is \$471 (actual dollars) per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits (actual dollars), age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$ 562
Kaiser Permanente Medicare Advantage HMO	571

All costs are subject to the health care cost trend rates, as discussed below.

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

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

Mortality assumptions used in the December 31, 2020 valuation for the State Division, School Division, Local Government Division, and Judicial Division Trust Funds as shown below were applied, as applicable, in the December 31, 2020 valuation for the Trust Fund. Affiliated employers of these Division Trust Funds in the Trust Fund.

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

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

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

Sensitivity of the LUB's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates.

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB asset (liability)	\$ 149,040	\$ 153,447	\$ 158,551

Discount rate

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021 measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were established and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the LUB's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<u>1% Decrease 6.25%</u>	<u>Current Discount 7.25%</u>	<u>1% Increase 8.25%</u>
Proportionate Share of the Net OPEB (Asset)/Liability	\$ (178,207)	\$ (153,447)	\$ (150,088)

OPEB plan fiduciary net position

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

Note 8

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

For risks related to property and liability and workers' compensation, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2). The purposes of CIRSA are to provide members defined liability and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs.

All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity; the City does not approve budgets, nor does it have ability to significantly affect the operations of the unit. The City has not significantly changed its insurance coverage over the past three years, nor have settlements exceeded coverage during the same period.

The City purchases commercial insurance coverage for all items not covered by CIRSA. Settled claims for these risks have not exceeded insurance coverage in the past three years.

Note 9

Related Parties

The City entered into a contract in 1979 with five other municipalities to create a separate governmental entity known as the Arkansas River Power Authority (ARPA) under provisions of CRS 1973, § 29-1-204 as amended, “to effect the development of electric energy resources and the production and transmission of electric energy in whole or in part for the benefit of the inhabitants of the Municipalities.” Under the provisions of this agreement and the subsequent Power Purchase Agreement and various amendments to the Power Purchase Agreement, the member municipalities, all of which had the capacity to generate electric power, agreed to allow ARPA to coordinate and manager the “economic dispatching of the power and energy supplied by the system of the Authority (ARPA) and supplied by the electric systems of the individual Municipalities and other entities to which such systems are interconnected.”

Over succeeding years, the Parties to the agreement(s) have changed. Some original member municipalities have left ARPA and the terms of the Power Purchase Agreement(s) between the member municipalities have also changed to accommodate changes in the regulatory environment, economic conditions, and the condition of the electric generating assets of the member municipalities, to the point where all of the member municipalities now purchase all of their electric energy from ARPA, including the City’s electric Light and Power enterprise, LUB.

During 2022, purchases of power by the City from ARPA were \$9,220,475.

Note 10

Landfill Closure and Post Closure Liability

State and federal laws and regulations require the City to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The estimated cost to perform all closure and post closure care was \$933,833, based on a cost estimate completed in April 2019 and subsequently modified by the Colorado Department of Public Health and Environment. The costs were comprised of \$572,705 of closure costs and \$361,177 of post-closure costs. The City currently filled an estimated 491,900 cubic meters on overall capacity of 1,314,539 cubic meters, for an estimated used amount of slightly more than 37%. Based on this usage, the City has recorded an inflation adjusted long-term liability of \$365,270, with current expense increase of \$3,738. This increase in the liability is primarily related to Colorado Department of Public Health and Environment modifications to closure and post-closure costs from update procedures after the April 2019 measurement and the annual inflation factor of 1.019%. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and post closure care or to exhibit financial assurance that it is able to finance these costs without the contributions to a trust. The City has demonstrated financial assurance and has restricted \$323,913 of its available cash balance to meet this liability and as a result has not made any contributions to a trust.

Note 11 **Commitments and Contingencies**

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. In November 1995, voters within the City approved the collection, retention and expenditure of the full revenues generated by the City in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2022, the emergency reserve of \$328,213 was recorded in the General Fund.

Note 12 **Net Position Deficit**

The City has an unrestricted net position deficit in the Ambulance Fund. This deficit is anticipated to be recovered through ongoing operations or internal fund transfers as needed.

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REQUIRED SUPPLEMENTARY INFORMATION

(Pension Schedules)

City of Lamar
Schedule of the City's Proportionate Share of the Net Pension Asset (Liability)
PERA Pension Plan
Last 10 Fiscal Years ⁽¹⁾

	For the Years Ended December 31,								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension asset (liability)		0.2338966%	0.2457920%	0.24254690%	0.237995%	0.261972%	0.226729%	0.342544%	0.369087%
City's proportionate share of the net pension asset (liability)		\$ (1,218,864)	\$ (1,797,686)	\$ (3,049,331)	\$ (2,649,906)	\$ (3,537,518)	\$ (2,938,240)	\$ (3,070,251)	\$ (3,037,293)
City's covered payroll	\$ 1,703,311	\$ 1,650,932	\$ 1,692,641	\$ 1,590,848	\$ 1,501,372	\$ 1,587,879	\$ 1,514,816	\$ 1,876,987	\$ 1,969,113
City's proportionate share of the net pension asset (liability) as a percentage of covered payroll	0.00%	(73.83%)	(106.21%)	(191.68%)	(176.50%)	(222.78%)	(193.97%)	(163.57%)	(154.25%)
Plan fiduciary net position as a percentage of the total pension liability		90.88%	86.26%	75.95%	79.37%	73.65%	76.87%	80.72%	81.00%

⁽¹⁾ - Additional years will be added to this schedule as they become available.

City of Lamar
Schedule of City Contributions
PERA Pension Plan
Last 10 Fiscal Years ⁽¹⁾

	For the Years Ended December 31,								
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contributions	\$ 224,805	\$ 213,505	\$ 214,627	\$ 233,630	\$ 190,374	\$ 201,343	\$ 192,079	\$ 238,002	\$ 249,683
Actual Contributions	<u>(224,805)</u>	<u>(213,505)</u>	<u>(214,627)</u>	<u>(233,630)</u>	<u>(190,374)</u>	<u>(201,343)</u>	<u>(192,079)</u>	<u>(238,002)</u>	<u>(249,683)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,703,311	\$ 1,650,932	\$ 1,692,640	\$ 1,590,848	\$ 1,501,372	\$ 1,587,879	\$ 1,514,816	\$ 1,876,987	\$ 1,969,113
Contributions as a percentage of covered payroll	13.19%	12.93%	12.68%	14.69%	12.68%	12.68%	12.68%	12.68%	12.68%

⁽¹⁾ - Additional years will be added to this schedule as they become available.

City of Lamar
Schedule of Changes in the City's Net Pension (Asset) Liability
FPPA Lamar Volunteer Fire Department Pension Fund
Last 10 Fiscal Years ⁽¹⁾

	For the Years Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost		\$ 5,734	\$ 5,734	\$ 6,592	\$ 6,592	\$ 5,643	\$ 5,643	\$ 7,265
Interest		24,494	23,232	26,248	24,794	15,999	15,196	13,208
Differences between expected and actual experience		(34,160)	-	(54,349)	-	99,193	-	15,819
Changes of assumptions		-	-	15,530	-	7,613	-	-
Benefits payments		(10,500)	(11,350)	(12,000)	(12,000)	(11,315)	(9,000)	(8,984)
Net changes in total pension liability		(14,432)	17,616	(17,979)	19,386	117,133	11,839	27,308
Total Pension Liability - Beginning		352,260	334,644	352,623	333,237	216,104	204,265	176,957
Total Pension Liability - Ending (a)		<u>337,828</u>	<u>352,260</u>	<u>334,644</u>	<u>\$ 352,623</u>	<u>\$ 333,237</u>	<u>\$ 216,104</u>	<u>\$ 204,265</u>
Plan Fiduciary Net Position								
Contributions - Employer		\$ 6,592	\$ 6,592	\$ 14,200	\$ 14,200	\$ 14,200	\$ 14,200	\$ 14,200
Net investment income		150,976	143,430	(22)	127,194	44,326	14,222	47,876
Benefit payments, including refunds of employee contributions		(10,500)	(11,350)	(12,000)	(12,000)	(11,315)	(9,000)	(8,984)
Administrative expense		(5,026)	(10,501)	(10,110)	(9,182)	(1,578)	(2,364)	(1,498)
State of Colorado discretionary payment		-	25,560	-	12,780	12,780	12,780	25,560
Net change in plan fiduciary net position		142,042	153,731	(7,932)	132,992	58,413	29,838	77,154
Plan Fiduciary Net Position - Beginning		1,144,095	990,364	998,296	865,304	806,891	777,053	699,899
Plan Fiduciary Net Position - Ending (b)		<u>\$ 1,286,137</u>	<u>\$ 1,144,095</u>	<u>\$ 990,364</u>	<u>\$ 998,296</u>	<u>\$ 865,304</u>	<u>\$ 806,891</u>	<u>\$ 777,053</u>
City's Net Pension Liability/(Asset) - Ending (a) - (b)		<u>\$ (948,309)</u>	<u>\$ (791,835)</u>	<u>\$ (655,720)</u>	<u>\$ (645,673)</u>	<u>\$ (532,067)</u>	<u>\$ (590,787)</u>	<u>\$ (572,788)</u>

⁽¹⁾ - Additional years will be added to this schedule as they become available.

City of Lamar
Schedule of the City's Proportionate Share of the Net Pension Asset (Liability)
FPPA Lamar Volunteer Fire Department Pension Fund
Last 10 Fiscal Years ⁽¹⁾

	For the Years Ended December 31,								
	2021	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension asset (liability)	100%	100%	100%	100%	100%	100%	100%	100%	100%
City's proportionate share of the net pension asset (liability)	\$ 1,124,639	\$ 948,309	\$ 791,835	\$ 655,720	\$ 645,673	\$ 532,067	\$ 590,787	\$ 572,788	\$ 522,942
City's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City's proportionate share of the net pension asset (liability) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	466.66%	380.71%	325.79%	295.95%	283.11%	259.67%	373.38%	380.41%	395.52%

⁽¹⁾ - Additional years will be added to this schedule as they become available.

City of Lamar
Schedule of City Contributions
FPPA Lamar Volunteer Fire Department Pension Fund
Last 10 Fiscal Years ⁽¹⁾

	For the Years Ended December 31,							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actual Contributions	<u>18,456</u>	<u>6,592</u>	<u>32,152</u>	<u>14,200</u>	<u>26,980</u>	<u>26,980</u>	<u>26,980</u>	<u>39,760</u>
Contribution deficiency (excess)	<u>\$ (18,456)</u>	<u>\$ (6,592)</u>	<u>\$ (32,152)</u>	<u>\$ (14,200)</u>	<u>\$ (26,980)</u>	<u>\$ (26,980)</u>	<u>\$ (26,980)</u>	<u>\$ (39,760)</u>
City's covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ - Additional years will be added to this schedule as they become available.

City of Lamar
Schedule of the City's Proportionate Share of the OPEB Asset (Liability)
PERA Health Care Trust Fund
Last 10 Fiscal Years ⁽¹⁾

	For the Years Ended December 31,					
	2021	2020	2019	2018	2017	2016
City's proportion of the net OPEB asset (liability)	0.017795%	0.017853%	0.018824%	0.018809%	0.018493%	0.020110%
City's proportionate share of the net OPEB asset (liability)	\$ (153,447)	\$ (169,642)	\$ (211,589)	\$ (225,911)	\$ (240,339)	\$ (260,732)
City's covered payroll	\$ 1,703,311	\$ 1,650,932	\$ 1,692,640	\$ 1,590,848	\$ 1,501,373	\$ 276,273
City's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	(9.01%)	(10.28%)	(12.50%)	(14.20%)	(16.01%)	(94.37%)
Plan fiduciary net position as a percentage of the total OPEB liability	39.40%	32.78%	24.49%	17.03%	17.53%	16.70%

⁽¹⁾ - Additional years will be added to this schedule as they become available.

City of Lamar
Schedule of City Contributions OPEB
PERA Health Care Trust Fund
Last 10 Fiscal Years ⁽¹⁾

	For the Years Ended December 31,					
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 17,373	\$ 16,839	\$ 17,265	\$ 16,227	\$ 15,314	\$ 2,818
Actual Contributions	<u>(17,373)</u>	<u>(16,839)</u>	<u>(17,265)</u>	<u>(16,227)</u>	<u>(15,314)</u>	<u>(2,818)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,703,311	\$ 1,650,932	\$ 1,692,640	\$ 1,590,848	\$ 1,501,373	\$ 276,273
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

⁽¹⁾ - Additional years will be added to this schedule as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

City of Lamar, Colorado
Budget and Actual
General
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 517,965	\$ 517,965	\$ 503,550
SO Taxes	73,000	73,000	76,017
Fees and fines	45,000	45,000	36,677
Licenses and permits	175,000	175,000	264,157
Intergovernmental	885,188	805,155	878,447
Charges for services	571,054	571,054	597,710
Gifts and grants	500	500	108
Investment earnings	10,140	10,140	18,946
Sale of equipment	-	-	55,150
Miscellaneous	166,473	166,473	374,340
Total revenues	<u>2,444,320</u>	<u>2,364,287</u>	<u>2,805,102</u>
EXPENDITURES			
Current:			
General government	2,484,843	2,884,843	2,887,551
Public Safety	2,283,078	2,283,078	2,197,197
Highways and roads	1,002,128	1,002,128	1,043,400
Cemetery	2,232,201	2,232,201	2,289,994
Debt Service:			
Principal	447,643	447,643	440,711
Capital Outlay	468,000	468,000	553,981
Total Expenditures	<u>8,917,893</u>	<u>9,317,893</u>	<u>9,412,834</u>
Excess (deficiency) of revenues over expenditures	<u>(6,473,573)</u>	<u>(6,953,606)</u>	<u>(6,607,732)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital leases	-	-	(160,776)
Proceeds from other financing sources	79,893	79,893	-
Transfers in	6,685,559	7,165,592	7,520,618
Transfers out	(221,846)	(221,846)	(313,176)
Total other financing sources and uses	<u>6,543,606</u>	<u>7,023,639</u>	<u>7,046,666</u>
SPECIAL ITEM			
Proceeds from sale capital assets	-	-	55,150
Net change in fund balances	70,033	70,033	494,084
Fund balances - beginning	9,169,572	9,169,572	7,481,162
Fund balances - ending	<u>\$ 9,239,605</u>	<u>\$ 9,239,605</u>	<u>\$ 7,975,246</u>

OTHER SUPPLEMENTARY INFORMATION

City of Lamar, Colorado
Balance Sheet
Other Governmental Funds
December 31, 2022

	Conservation Trust	Lamar Redevelopment Authority	Victims Assistance	E-911	Fairmount Investment Trust	Library	Sales Tax	Total Special Revenue Funds
ASSETS								
Cash and cash equivalents	\$ 70,766	\$ 729,483	\$ 70,030	\$295,313	\$ 265,932	\$ 73,620	\$ 1,404	\$ 1,506,548
Due from other funds	-	-	17	-	89	-	(240)	(134)
Other receivables	-	-	23	-	253	-	578,061	578,337
Total assets	<u>70,766</u>	<u>729,483</u>	<u>70,070</u>	<u>295,313</u>	<u>266,274</u>	<u>73,620</u>	<u>579,225</u>	<u>2,084,751</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	-	18,286	-	(495)	-	1,047	253	19,091
Due to other funds	-	-	-	25,290	-	-	-	25,290
Other accrued expenses	-	-	-	13,333	-	-	-	13,333
Total liabilities	<u>-</u>	<u>18,286</u>	<u>-</u>	<u>38,128</u>	<u>-</u>	<u>1,047</u>	<u>253</u>	<u>57,714</u>
Fund balances:								
Committed	-	711,197	70,070	140,382	266,274	72,573	578,972	1,839,468
Restricted	70,766	-	-	-	-	-	-	70,766
Total fund balances	<u>70,766</u>	<u>711,197</u>	<u>70,070</u>	<u>257,185</u>	<u>266,274</u>	<u>72,573</u>	<u>578,972</u>	<u>2,027,037</u>
Total liabilities and fund balances	<u>\$ 70,766</u>	<u>\$ 729,483</u>	<u>\$ 70,070</u>	<u>\$295,313</u>	<u>\$ 266,274</u>	<u>\$ 73,620</u>	<u>\$ 579,225</u>	<u>\$ 2,084,751</u>

City of Lamar, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended December 31, 2022

	Conservation Trust	Lamar Redevelopment Authority	Victims Assistance	E-911	Fairmount Investment Trust	Library	Sales Tax	Total Special Revenue Funds
REVENUES								
Property taxes	\$ -	\$ 180,282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,282
Sales taxes	-	-	-	-	-	-	5,033,458	5,033,458
Fees and fines	-	-	-	-	-	-	6,789	6,789
Licenses and permits	-	-	-	-	-	-	17,436	17,436
Intergovernmental	98,455	-	-	270,117	-	9,774	-	378,346
Charges for services	-	-	8,114	224,194	8,556	-	-	240,864
Investment earnings	102	1,845	203	86	706	117	185	3,244
Miscellaneous	-	-	333	7,248	-	10,389	(400)	17,570
Total revenues	98,557	182,127	8,650	501,645	9,262	20,280	5,057,468	5,877,989
EXPENDITURES								
Current:								
General government	-	40,875	-	-	-	-	152,946	193,821
Public Safety	-	-	9,054	611,341	-	-	-	620,395
Health and sanitation	-	-	-	-	2,100	-	-	2,100
Culture and recreation	38,544	-	-	-	-	21,539	-	60,083
Capital Outlay	37,177	-	-	-	41,373	-	-	78,550
Total Expenditures	75,721	40,875	9,054	611,341	43,473	21,539	152,946	954,949
Excess (deficiency) of revenues over expenditures	22,836	141,252	(404)	(109,696)	(34,211)	(1,259)	4,904,522	4,923,040
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	260,130	-	-	-	260,130
Transfers out	-	-	-	-	-	-	(4,914,126)	(4,914,126)
Total other financing sources and uses	-	-	-	260,130	-	-	(4,914,126)	(4,653,996)
SPECIAL ITEM								
Net change in fund balances	22,836	141,252	(404)	150,434	(34,211)	(1,259)	(9,604)	269,044
Fund balances - beginning	47,930	569,945	70,474	106,751	300,485	73,832	588,576	1,757,993
Fund balances - ending	\$ 70,766	\$ 711,197	\$ 70,070	\$ 257,185	\$ 266,274	\$ 72,573	\$ 578,972	\$ 2,027,037

CAPITAL PROJECTS FUND

Capital Projects Fund – This fund accounts for construction of capital assets including street improvements, large equipment acquisitions and other capital improvements.

City of Lamar, Colorado
Budget and Actual
Capital Projects
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental	\$ 1,150,000	\$ 1,150,000	\$ 243,290
Charges for services	140,000	140,000	25,695
Investment earnings	-	-	983
Miscellaneous	3,555,000	3,555,000	486,120
Total revenues	<u>4,845,000</u>	<u>4,845,000</u>	<u>756,088</u>
EXPENDITURES			
Current:			
Public Safety	205,000	205,000	115,392
Culture and recreation	140,000	140,000	17,103
Capital Outlay	4,500,000	4,500,000	440,153
Total Expenditures	<u>4,845,000</u>	<u>4,845,000</u>	<u>572,648</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>183,440</u>
Net change in fund balances	-	-	183,440
Fund balances - beginning	744,074	744,074	89,128
Fund balances - ending	<u>\$ 744,074</u>	<u>\$ 744,074</u>	<u>\$ 272,568</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources, other than special assessments, expendable trusts, or major capital projects, that are legally restricted to expenditures for specified purposes.

Conservation Trust Fund – This fund accounts for lottery proceeds received from the State government. Expenditures are restricted to the development or improvement of City parks.

Lamar Redevelopment Authority Fund – This fund accounts for tax increment financing that is available to reinvest in the urban renewal district for property enhancements or new development incentives.

Victims' Assistance Fund – This fund accounts for the surcharge on certain fines and tickets and can reimburse victims for out-of-pocket expenses.

E-911 Fund – This fund accounts for all emergency services and communications relating to emergency services.

Fairmount Investment Trust Fund – This fund accounts for the proceeds from the sale of cemetery lots. Interest earnings are restricted to maintenance of the cemetery by a transfer to the General Fund.

Library Fund – This fund accounts for the activity at the City Library.

Sales Tax Fund – This fund accounts for sales and use taxes collected. The taxes collected can be transferred to other entities within the City or can be used to benefit the City.

City of Lamar, Colorado
Budget and Actual
Conservation Trust
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental	\$ 75,000	\$ 75,000	\$ 98,455
Investment earnings	175	175	102
Total revenues	<u>75,175</u>	<u>75,175</u>	<u>98,557</u>
EXPENDITURES			
Current:			
Culture and recreation	25,000	25,000	38,544
Capital Outlay	-	-	37,177
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>75,721</u>
Excess (deficiency) of revenues over expenditures	<u>50,175</u>	<u>50,175</u>	<u>22,836</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(65,000)</u>	<u>(65,000)</u>	-
Total other financing sources and uses	<u>(65,000)</u>	<u>(65,000)</u>	-
Net change in fund balances	(14,825)	(14,825)	22,836
Fund balances - beginning	266,321	266,321	47,930
Fund balances - ending	<u>\$ 251,496</u>	<u>\$ 251,496</u>	<u>\$ 70,766</u>

City of Lamar, Colorado
Budget and Actual
Lamar Redevelopment Authority
For the year ended December 31, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Property Taxes	\$ 180,400	\$ 180,400	\$ 180,282
Investment earnings	700	700	1,845
Miscellaneous	-	-	-
Total revenues	181,100	181,100	182,127
EXPENDITURES			
Current:			
General government	244,975	244,975	40,875
Total Expenditures	244,975	244,975	40,875
Excess (deficiency) of revenues over expenditures	(63,875)	(63,875)	141,252
Net change in fund balances	(63,875)	(63,875)	141,252
Fund balances - beginning	-	-	569,945
Fund balances - ending	\$ (63,875)	\$ (63,875)	\$ 711,197

City of Lamar, Colorado
Budget and Actual
Victims Assistance
For the year ended December 31, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for services	\$ 11,000	\$ 11,000	\$ 8,114
Investment earnings	100	100	203
Miscellaneous	-	-	333
Total revenues	<u>11,100</u>	<u>11,100</u>	<u>8,650</u>
EXPENDITURES			
Current:			
Public Safety	<u>15,200</u>	<u>15,200</u>	<u>9,054</u>
Total Expenditures	<u>15,200</u>	<u>15,200</u>	<u>9,054</u>
Excess (deficiency) of revenues over expenditures	<u>(4,100)</u>	<u>(4,100)</u>	<u>(404)</u>
Net change in fund balances	(4,100)	(4,100)	(404)
Fund balances - beginning	<u>63,475</u>	<u>63,475</u>	<u>70,474</u>
Fund balances - ending	<u>\$ 59,375</u>	<u>\$ 59,375</u>	<u>\$ 70,070</u>

City of Lamar, Colorado
Budget and Actual
E-911
For the year ended December 31, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ 152,776	\$ 152,776	\$ 270,117
Charges for services	200,000	200,000	224,194
Investment earnings	-	-	86
Miscellaneous	-	-	7,248
Total revenues	352,776	352,776	501,645
EXPENDITURES			
Current:			
Public Safety	563,265	563,265	611,341
Capital Outlay	49,641	49,641	-
Total Expenditures	612,906	612,906	611,341
Excess (deficiency) of revenues over expenditures	(260,130)	(260,130)	(109,696)
OTHER FINANCING SOURCES (USES)			
Transfers in	260,130	260,130	260,130
Total other financing sources and uses	260,130	260,130	260,130
Net change in fund balances	-	-	150,434
Fund balances - beginning	314,964	314,964	106,751
Fund balances - ending	\$ 314,964	\$ 314,964	\$ 257,185

City of Lamar, Colorado
Budget and Actual
Fairmount Investment Trust
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Charges for services	\$ 7,500	\$ 7,500	\$ 8,556
Investment earnings	1,000	1,000	706
Total revenues	<u>8,500</u>	<u>8,500</u>	<u>9,262</u>
EXPENDITURES			
Current:			
Health and sanitation	800	800	2,100
Capital Outlay	40,000	49,200	41,373
Total Expenditures	<u>40,800</u>	<u>50,000</u>	<u>43,473</u>
Excess (deficiency) of revenues over expenditures	<u>(32,300)</u>	<u>(41,500)</u>	<u>(34,211)</u>
Net change in fund balances	(32,300)	(41,500)	(34,211)
Fund balances - beginning	266,334	266,334	300,485
Fund balances - ending	<u>\$ 234,034</u>	<u>\$ 224,834</u>	<u>\$ 266,274</u>

City of Lamar, Colorado
Budget and Actual
Library
For the year ended December 31, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Intergovernmental	\$ 25,000	\$ 25,000	\$ 9,774
Investment earnings	40	40	117
Miscellaneous	10,200	10,200	10,389
Total revenues	<u>35,240</u>	<u>35,240</u>	<u>20,280</u>
EXPENDITURES			
Current:			
Culture and recreation	35,200	35,200	21,539
Capital Outlay	10,000	10,000	-
Total Expenditures	<u>45,200</u>	<u>45,200</u>	<u>21,539</u>
Excess (deficiency) of revenues over expenditures	<u>(9,960)</u>	<u>(9,960)</u>	<u>(1,259)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	10,000	10,000	-
Total other financing sources and uses	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	40	40	(1,259)
Fund balances - beginning	71,501	71,501	73,832
Fund balances - ending	<u>\$ 71,541</u>	<u>\$ 71,541</u>	<u>\$ 72,573</u>

City of Lamar, Colorado
Budget and Actual
Sales Tax
For the year ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Sales and miscellaneous taxes	\$ 4,165,000	\$ 4,850,100	\$ 5,033,458
Fees and fines	6,000	6,000	6,789
Licenses and permits	16,000	16,000	17,436
Investment earnings	100	100	185
Miscellaneous	-	-	(400)
Total revenues	<u>4,187,100</u>	<u>4,872,200</u>	<u>5,057,468</u>
EXPENDITURES			
Current:			
General government	<u>176,860</u>	<u>176,860</u>	<u>152,946</u>
Total Expenditures	<u>176,860</u>	<u>176,860</u>	<u>152,946</u>
Excess (deficiency) of revenues over expenditures	<u>4,010,240</u>	<u>4,695,340</u>	<u>4,904,522</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(4,010,240)</u>	<u>(4,695,340)</u>	<u>(4,914,126)</u>
Total other financing sources and uses	<u>(4,010,240)</u>	<u>(4,695,340)</u>	<u>(4,914,126)</u>
Net change in fund balances	-	-	(9,604)
Fund balances - beginning	<u>225,087</u>	<u>225,087</u>	<u>588,576</u>
Fund balances - ending	<u>\$ 225,087</u>	<u>\$ 225,087</u>	<u>\$ 578,972</u>

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed in a manner similar to private business enterprises. The costs of providing goods or services to the general public on a continuing basis are recovered primarily from user charges.

The following are the Enterprise Funds of the City:

Utility Fund – This fund accounts for all activities necessary for the provision of electrical services for area residents and businesses, including agricultural usage.

Water Fund – This fund accounts for all activities necessary for the provision of water services to City residents.

Sanitation Fund – This fund accounts for the provision of waste management services to City residents.

Ambulance Fund – This fund accounts for the activities necessary for the operation of the City's ambulance services.

Airport Fund – This fund accounts for the activities necessary for the operation of the City's airport services.

City of Lamar, Colorado
Budget and Actual
Utility Fund
For the year ended December 31, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for Services	\$ 16,411,820	\$ 16,411,820	\$ 14,825,136
Investment earnings	25,000	25,000	32,301
Miscellaneous	51,250	51,250	1,182,126
Total revenues	<u>16,488,070</u>	<u>16,488,070</u>	<u>16,039,563</u>
OPERATING EXPENSES			
Personal services	1,335,715	1,335,715	101,771
Purchased power	11,062,456	11,062,456	9,220,475
Repairs and maintenance	1,855,386	1,855,386	2,182,877
Other supplies and expenses	318,150	318,150	132,331
Insurance claims and expenses	342,000	342,000	303,474
Capital Outlay	1,288,720	1,288,720	1,880,220
Depreciation	925,000	925,000	827,698
Interest	19,708	19,708	15,237
Miscellaneous including debt service	752,684	752,684	552,084
Total Operating Expenses	<u>17,899,819</u>	<u>17,899,819</u>	<u>15,216,167</u>
Operating income (loss)	<u>(1,411,749)</u>	<u>(1,411,749)</u>	<u>823,396</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(1,750,395)	(1,750,395)	(1,892,895)
Total other financing sources and (uses)	<u>(1,750,395)</u>	<u>(1,750,395)</u>	<u>(1,892,895)</u>
Net change in fund balances	(3,162,144)	(3,162,144)	(1,069,499)
Fund balances - beginning	-	-	20,324,367
ADJUSTMENTS:			
Capital Outlay	-	-	1,880,220
Depreciation	925,000	925,000	-
Debt Service	-	-	371,914
Fund balances - ending	<u>\$ (2,237,144)</u>	<u>\$ (2,237,144)</u>	<u>\$ 21,507,002</u>

City of Lamar, Colorado
Budget and Actual
Water
For the year ended December 31, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for Services	\$ 3,472,633	\$ 3,972,633	\$ 3,147,282
Investment earnings	6,000	6,000	5,036
Operating grants and contributions	316,000	316,000	505,992
Miscellaneous	13,500	13,500	26,878
Total revenues	<u>3,808,133</u>	<u>4,308,133</u>	<u>3,685,188</u>
OPERATING EXPENSES			
Personal services	750,960	750,960	739,304
Contractual services	20,000	220,000	89,333
Purchased power	330,000	330,000	305,827
Utilities	6,000	6,000	6,770
Repairs and maintenance	535,000	562,385	282,631
Other supplies and expenses	205,300	505,300	440,425
Insurance claims and expenses	80,966	80,966	67,480
Capital Outlay	417,000	417,000	47,147
Depreciation	440,000	440,000	419,358
Interest	95,099	95,099	95,558
Miscellaneous including debt service	524,857	497,472	742,851
Total Operating Expenses	<u>3,405,182</u>	<u>3,905,182</u>	<u>3,236,684</u>
Operating income (loss)	<u>402,951</u>	<u>402,951</u>	<u>448,504</u>
OTHER FINANCING SOURCES (USES)			
Gain on Sale of Assets	-	-	2,500
Transfers out	(402,951)	(402,951)	(402,951)
Total other financing sources and uses	<u>(402,951)</u>	<u>(402,951)</u>	<u>(400,451)</u>
Net change in fund balances	-	-	48,053
Fund balances - beginning	<u>13,674,143</u>	<u>13,674,143</u>	<u>14,413,615</u>
ADJUSTMENTS:			
Capital Outlay	417,000	417,000	47,147
Debt Service	833,472	833,472	728,562
Fund balances - ending	<u>\$ 14,924,615</u>	<u>\$ 14,924,615</u>	<u>\$ 15,237,377</u>

City of Lamar, Colorado
Budget and Actual
Sanitation
For the year ended December 31, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for Services	\$ 1,623,500	\$ 1,623,500	\$ 1,592,910
Investment earnings	2,000	2,000	3,851
Miscellaneous	759,500	759,500	132,675
Total revenues	<u>2,385,000</u>	<u>2,385,000</u>	<u>1,729,436</u>
OPERATING EXPENSES			
Personal services	544,219	544,219	562,152
Utilities	10,500	10,500	12,210
Repairs and maintenance	255,000	255,000	260,533
Other supplies and expenses	156,000	156,000	174,972
Insurance claims and expenses	26,000	26,000	27,242
Capital outlay	825,000	825,000	153,670
Depreciation and amortization	100,000	100,000	117,386
Interest and debt service	145,825	145,825	56,005
Total Operating Expenses	<u>2,062,544</u>	<u>2,062,544</u>	<u>1,364,170</u>
Operating income (loss)	<u>322,456</u>	<u>322,456</u>	<u>365,266</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	53,047
Transfers out	(310,646)	(310,646)	(310,646)
Total other financing sources and uses	<u>(310,646)</u>	<u>(310,646)</u>	<u>(257,599)</u>
Net change in fund balances	11,810	11,810	107,667
Fund balances - beginning	2,505,359	2,505,359	2,634,170
ADJUSTMENTS:			
Capital Outlay	825,000	825,000	153,670
Debt Service	-	-	56,005
Fund balances - ending	<u>\$ 3,342,169</u>	<u>\$ 3,342,169</u>	<u>\$ 2,951,512</u>

City of Lamar, Colorado
Budget and Actual
Ambulance
For the year ended December 31, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for Services	\$ 456,101	\$ 556,101	\$ 282,008
Investment earnings	50	50	658
Operating grants and contributions	120,000	120,000	156,000
Miscellaneous	38,050	38,050	13,666
Total revenues	<u>614,201</u>	<u>714,201</u>	<u>452,332</u>
OPERATING EXPENSES			
Personal services	373,596	400,442	405,262
Utilities	750	750	28
Repairs and maintenance	10,000	110,000	32,652
Other supplies and expenses	36,500	36,500	48,872
Insurance claims and expenses	20,355	20,355	24,183
Capital Outlay	-	-	-
Depreciation	115,000	115,000	110,526
Interest and debt service	26,846	26,846	-
Miscellaneous	58,000	31,154	15
Total Operating Expenses	<u>641,047</u>	<u>741,047</u>	<u>621,538</u>
Operating income (loss)	<u>(26,846)</u>	<u>(26,846)</u>	<u>(169,206)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	26,846	26,846	-
Total other financing sources and uses	<u>26,846</u>	<u>26,846</u>	<u>-</u>
SPECIAL ITEM			
Gain (loss) from sale capital assets	-	-	2,250
Net change in fund balances	-	-	(166,956)
Fund balances - beginning	242,655	242,655	292,781
Fund balances - ending	<u>\$ 242,655</u>	<u>\$ 242,655</u>	<u>\$ 125,825</u>

City of Lamar, Colorado
Budget and Actual
Airport
For the year ended December 31, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis
	Original	Final	
REVENUES			
Charges for Services	\$ 504,500	\$ 504,500	\$ 715,701
Grants	1,774,485	1,774,485	56,335
Investment earnings	500	500	94
Miscellaneous	75,150	75,150	104,255
Total revenues	<u>2,354,635</u>	<u>2,354,635</u>	<u>876,385</u>
OPERATING EXPENSES			
Personal services	173,918	173,918	199,866
Utilities	32,000	32,000	37,916
Other supplies and expenses	329,200	329,200	575,938
Insurance claims and expenses	15,000	15,000	62,157
Capital Outlay	1,774,485	1,774,485	-
Depreciation	-	-	44,097
Interest	-	-	2,799
Miscellaneous including debt service	16,100	16,100	22,990
Total Operating Expenses	<u>2,340,703</u>	<u>2,340,703</u>	<u>945,763</u>
Operating income (loss)	<u>13,932</u>	<u>13,932</u>	<u>(69,378)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	3,213,516
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>3,213,516</u>
Net change in fund balances	13,932	13,932	3,144,138
Fund balances - beginning	39,222	39,222	-
Fund balances - ending	<u>\$ 53,154</u>	<u>\$ 53,154</u>	<u>\$ 3,144,138</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): 12/22

This Information From The Records Of: CITY OF LAMAR	Prepared By: KRISTIN SCHWARTZ
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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)	\$ 664,404.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 532,111.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 8,081.00
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	\$ 1,482,276.00	c. Other	\$ 151,498.00
4. Miscellaneous local receipts (from page 2)	\$ 9,202.00	d. Total (a. through c.)	\$ 159,579.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 45,143.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 404,484.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 1,805,721.00
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)	\$ 1,491,478.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 314,243.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 1,805,721.00	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 1,805,721.00

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
		\$ 1,805,721.00	\$ 1,805,721.00		\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
12/22

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments	\$ 58,271.00	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 9,202.00
1. Sales Taxes	\$ 1,368,813.00	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	\$ 55,192.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 1,424,005.00	h. Other	
c. Total (a. + b.)	\$ 1,482,276.00	i. Total (a. through h.)	\$ 9,202.00
<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.)	\$ 285,455.00	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	\$ 28,788.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ 28,788.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 314,243.00	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		\$ 8,346.00	\$ 8,346.00
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 380,012.00	\$ 380,012.00
(4). System Enhancement And Operation		\$ 276,046.00	\$ 276,046.00
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 656,058.00	\$ 656,058.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 664,404.00	\$ 664,404.00
<i>(Carry forward to page 1)</i>			

Notes and Comments: