

City of Fort Morgan, Colorado

Financial Statements and Independent Auditor's Report

December 31, 2022

Prepared by the Finance Department

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City of Fort Morgan

Independent Auditor's Report



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Honorable Mayor and the City Council
City of Fort Morgan

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fort Morgan, as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the City of Fort Morgan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fort Morgan, as of December 31, 2022 and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 City of Fort Morgan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 of Fort Morgan'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 Responsibility 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if

there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fort Morgan's basic financial statements. The budgetary comparison schedules and combining and individual nonmajor fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting

and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules and combining and individual nonmajor fund financial statements listed in the table of contents are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

The Local Highway Finance Report has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on this report.

Haynie & Company

Littleton, Colorado
July 18, 2023

City of Fort Morgan

Management's Discussion and Analysis

City of Fort Morgan
Management's Discussion and Analysis
December 31, 2022

As management of the City of Fort Morgan, Colorado (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December, 31, 2022.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$188.6 million (net position). Of this amount, \$70.1 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by \$7.3 million in the current year. The City recognized an approximate \$1.7 million increase in its main operating fund (General Fund) and also had an increase of \$1.7 million in its enterprise funds net position.

As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$32.8 million, a decrease of \$2.2 million or 6.3%. Of this amount, \$30.6 million is available for spending through the adoption of the 2023 budget.

The General Fund's unassigned fund balance at December 31, 2022, was \$29.2 million, or 203.9% of total General Fund expenditures.

For 2022, the City's total debt decreased by \$1.6 million to \$16.3 million.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 1 and 2) provide information about the activities of the City as a whole and present a long-term view of the City's finances. The fund basic financial statements start on page 3. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The statements for fiduciary funds provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 1. One of the most important questions asked about the City's finances is, "is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position, the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources as one way to measure the City's financial health, or financial position. Over time,

City of Fort Morgan

Management's Discussion and Analysis

December 31, 2022

increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads and infrastructure, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental Activities** – Most of the City's basic services are reported here, including police, fire, public works, recreation, golf, cemetery, library, museum, parks and general administration. Property taxes, sales taxes, franchise fees, and grants finance most of these activities.
- **Business-type activities** – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's electric, gas, water, wastewater, sanitation and storm sewer operations are reported here.

Reporting the City's Most Significant Funds

Our Analysis of the City's major funds begins on page 3. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two main kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net position and Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements. The governmental funds of the City are the General Fund, Police Forfeiture Fund, Capital Improvement Fund, and Conservation Trust Fund.

Proprietary funds – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds which are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise funds are reported as business-type activities in the government-wide statements. These enterprise fund statements provide more detail and additional information, such as cash flows, for proprietary funds. The enterprise funds of the City are the Electric Fund, Gas Fund, Water Fund, Waste Water Fund, and Sanitation Fund. We use an internal service fund (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities, such as the City's Self Insurance Fund.

The City as Trustee

The City is the trustee, or fiduciary, for other assets that because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate Statements

City of Fort Morgan
Mangement’s Discussion and Analysis
December 31, 2022

of Fiduciary Net Position and changes in Fiduciary Net Position on pages 10 and 11. We exclude these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for these intended purposes. As of December 31, 2022, the City’s trust funds are the Cemetery Perpetual Care Fund and Riverview Commons GID Fund.

THE CITY AS A WHOLE

Net Position

Net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets exceeded liabilities by \$188.6 million at December 31, 2022. By far, the largest portion of the City’s net position (61.1%) reflects its investments in capital assets (e.g., land, buildings, machinery, equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net position (1.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$70.1 million) may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation was true for the prior fiscal year.

Summary of Net Position
December 31, 2022 and 2021

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets:						
Current and other assets	\$ 43,936,639	\$ 45,714,877	\$ 51,629,410	\$ 51,561,183	\$ 95,566,049	\$ 97,276,060
Capital assets	66,265,401	61,973,140	65,193,335	63,734,081	131,458,736	125,707,221
Total Assets	110,202,040	107,688,017	116,822,745	115,295,264	227,024,785	222,983,281
Deferred outflows of resources	1,253,491	2,048,291	918,767	1,262,106	2,172,258	3,310,397
Liabilities:						
Long-term liabilities outstanding	10,927,727	15,268,665	8,405,153	11,647,844	19,332,880	26,916,509
Other-liabilities	1,743,816	2,063,085	2,571,713	2,320,539	4,315,529	4,383,624
Total liabilities	12,671,543	17,331,750	10,976,866	13,968,383	23,648,409	31,300,133
Deferred inflows of resources	6,917,266	6,108,473	10,035,867	7,580,785	16,953,133	13,689,258
Net position:						
Net investment in capital assets	57,745,401	52,872,140	57,399,335	54,960,081	115,144,736	107,832,221
Restricted	3,378,378	5,960,476	-	-	3,378,378	5,960,476
Unrestricted	30,742,943	27,463,469	39,329,444	40,048,121	70,072,387	67,511,590
Total net position	\$ 91,866,722	\$ 86,296,085	\$ 96,728,779	\$ 95,008,202	\$ 188,595,501	\$ 181,304,287

City of Fort Morgan
Mangement's Discussion and Analysis
December 31, 2022

Net position of the City's governmental activities increased 6.5% (\$91.9 million compared to \$86.3 million). Unrestricted net position increased \$3.3 million.

The net position of the City's business-type activities increased \$1.7 million. The City generally can only use this net position to finance the continuing operations of the electric, gas, water, waste water, and sanitation functions.

Summary of Changes in Net Position
December 31, 2022 and 2021

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for services	\$ 1,098,673	\$ 1,102,950	\$ 43,553,137	\$ 40,657,935	\$ 44,651,810	\$ 41,760,885
Operating grants and contributions	2,391,457	946,510	-	-	2,391,457	946,510
Capital grants and contributions	793,511	751,105	511,728	-	1,305,239	751,105
General Revenues:						
Property taxes	2,160,913	1,988,101	-	-	2,160,913	1,988,101
Sales & use tax	13,783,338	13,580,171	-	-	13,783,338	13,580,171
Intergovernmental-in lieu of tax	4,130,883	4,056,323	-	-	4,130,883	4,056,323
Franchise taxes	85,990	89,399	-	-	85,990	89,399
Specific ownership taxes	179,559	176,141	-	-	179,559	176,141
Earnings on investments	(524,644)	(129,361)	(907,860)	(183,725)	(1,432,504)	(313,086)
Miscellaneous	588,123	934,006	984,140	1,096,045	1,572,263	2,030,051
Gain on sale of capital assets	120	-	9,252	-	9,372	-
Total Revenues	24,687,923	23,495,345	44,150,397	41,570,255	68,838,320	65,065,600
Expenses						
General government	2,046,433	1,995,261	-	-	2,046,433	1,995,261
Public safety	5,993,470	5,633,237	-	-	5,993,470	5,633,237
Community development/public works	5,169,638	3,627,566	-	-	5,169,638	3,627,566
Parks and recreation	5,757,475	5,214,586	-	-	5,757,475	5,214,586
Electric	-	-	23,677,275	21,400,204	23,677,275	21,400,204
Water	-	-	9,027,488	8,425,862	9,027,488	8,425,862
Gas	-	-	5,804,850	4,565,048	5,804,850	4,565,048
Waste-water	-	-	2,577,837	2,610,881	2,577,837	2,610,881
Sanitation	-	-	1,342,370	1,283,390	1,342,370	1,283,390
Interest on long-term debt	150,270	161,368	-	-	150,270	161,368
Total Expenses	19,117,286	16,632,018	42,429,820	38,285,385	61,547,106	54,917,403
Change in net position	5,570,637	6,863,327	1,720,577	3,284,870	7,291,214	10,148,197
Net position beginning of year	86,296,085	79,432,758	95,008,202	91,723,332	181,304,287	171,156,090
Net position end of year	\$ 91,866,722	\$ 86,296,085	\$ 96,728,779	\$ 95,008,202	\$ 188,595,501	\$ 181,304,287

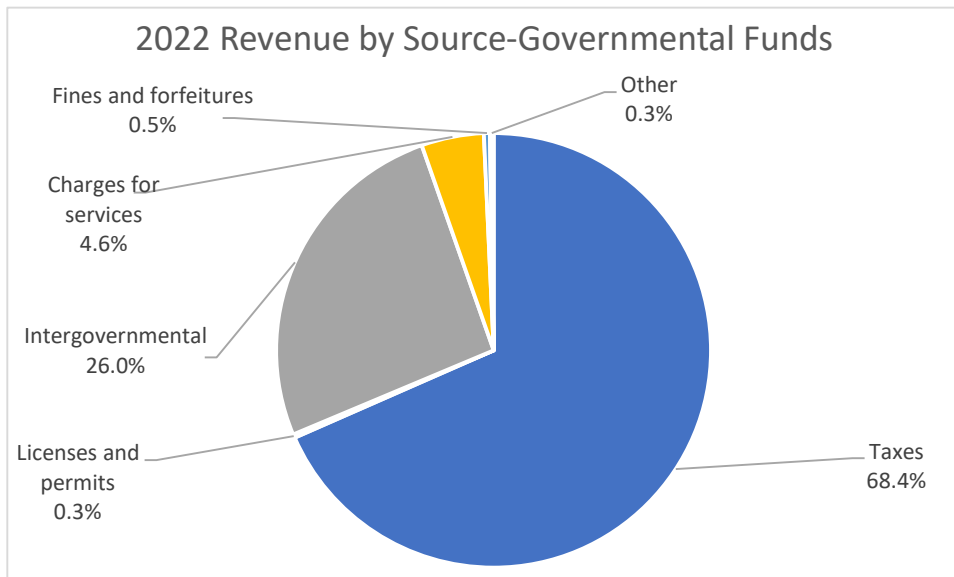
Governmental activities increased the City's net position by \$5.6 million accounting for 76.4% of the total City's increase in net position. Key elements of this increase are presented in the summary of changes in net position shown above. The cost of all governmental activities this year was \$19.1 million, \$2.5 million higher than last year. However, as shown in the Statement of Activities on page 2, the amount that our taxpayers ultimately financed for these activities through City taxes was \$16.2 million.

City of Fort Morgan
Mangement’s Discussion and Analysis
December 31, 2022

Revenues of the business-type activities increased by \$2.6 million or 6.2% and expenses increased by \$4.1 million or 10.8%. Expenses increased primarily due to the increase in commodities prices.

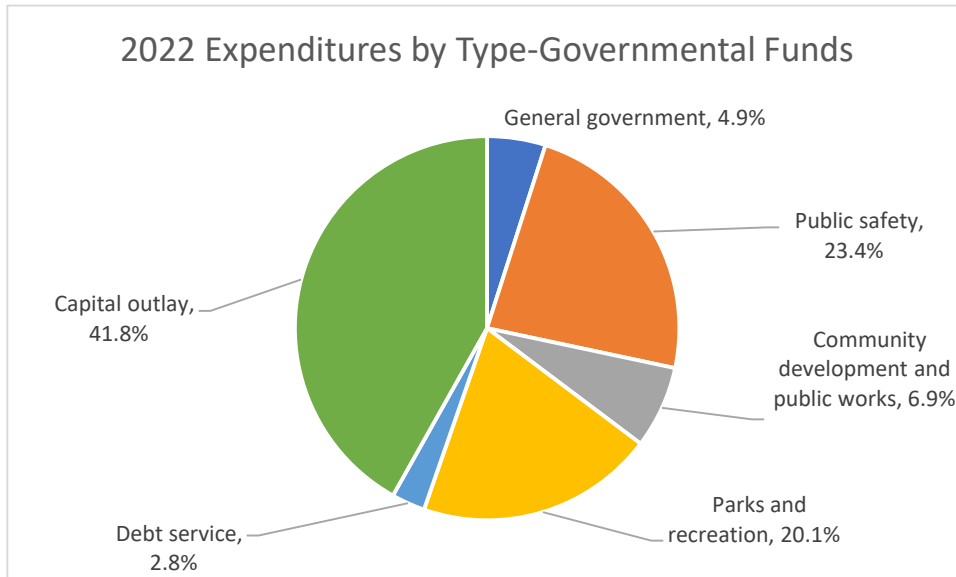
FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. One of the differences between the governmental activities as reported in the government-wide Statement of Activites on page 2 and the individual governmental fund financial statements reported on pages 3 to 6 is the reporting of capital asset acquisitions. For the government-wide financial statements, any new capital assets are capitalized and only depreciation expense for those assets is reported in the Statement of Activities. In the individual governmental fund financial statements, the expenditure for capital asset acquisitions is reported in the Statement of Revenues, Expenditures and Changes in Net Position. Therefore, governmental fund capital asset acquisitions of \$9.1 million included in capital outlay on page 5 is not reflected as an expense on page 2.

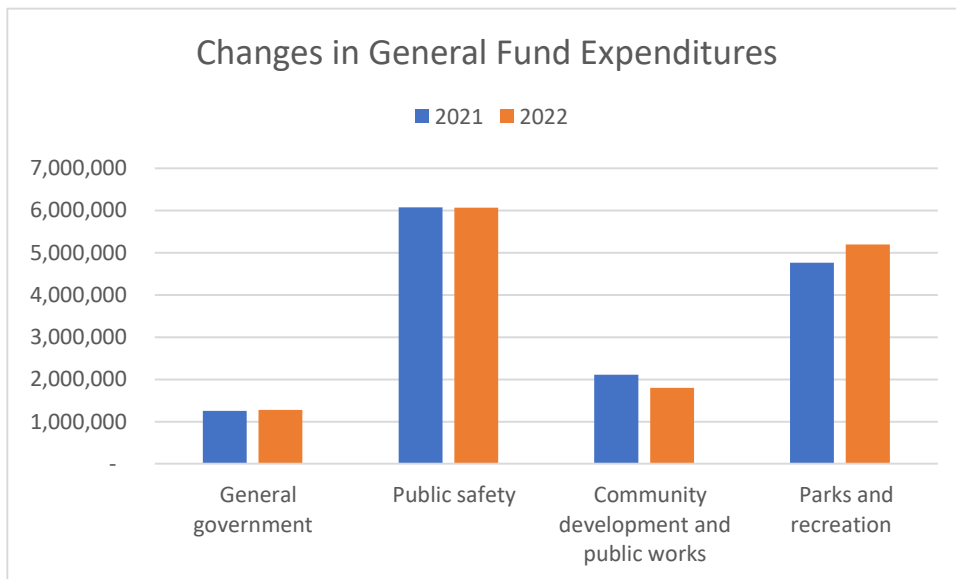


As the City completed the year, its governmental funds (as presented in the Balance Sheet on page 3) reported a combined fund balance of \$32.8 million. Included in this year’s total change in fund balance is an increase of \$1.7 million in the General Fund and a decrease of \$4.3 million in the Captial Improvement Fund. Governmental fund revenue decreased by \$.4 million from 2021, primarily due to a rise in short-term interest rates which resulted in a decrease in the fair market value of the City’s investments (\$0.5 million decline), and a decrease in miscellaneous revenue (\$.9 million).

City of Fort Morgan
Management's Discussion and Analysis
December 31, 2022



Governmental expenditures increased \$2.5 million in 2022. General Fund expenditures increased slightly by \$129 thousand and expenditures for capital outlay in the Capital Improvement Fund decreased \$0.9 million from 2021. Capital outlay varies by project and can change significantly from one year to the next.



BUDGETARY HIGHLIGHTS

The General Fund's Budget to Actual report is presented as required supplementary information on pages 51 and 52. In the General Fund, the actual charges to appropriations (expenditures) were \$1.7 million below the budgeted amounts. The Capital Improvement Fund expenditures were equal to budget.

City of Fort Morgan
Mangement's Discussion and Analysis
December 31, 2022

Resources available for appropriation (revenues) in the General Fund for 2022 were \$1.9 million above the final budgeted amount. Sales taxes were the largest portion of this positive variance at \$1.3 million above the budgeted amount.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the City had \$131.5 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, airport facilities, and electric, gas, water, and sewer plants and systems (see below). This amount represents an increase (including additions, deductions and depreciation) of \$5.8 million, or 4.6% from 2021.

Capital Assets		2022	2021
December 31, 2022 and 2021		2022	2021
Governmental Activities:			
Land	\$	4,865,833	\$ 4,019,591
Infrastructure		50,278,253	43,818,160
Golf Course		4,163,139	3,375,951
Land Improvements		15,374,017	15,380,972
Buildings and Imprpvements		25,006,761	24,346,158
Vehicle and or Mowing Equipment		7,481,985	7,264,198
General Equipment		5,400,217	5,215,756
Construction in Progress		1,582,993	2,372,453
Total Governmental Capital Assets		114,153,198	105,793,239
Accumulated Depreciation		(47,887,797)	(43,820,099)
Capital Assets, Net of Depreciation		66,265,401	61,973,140
Business-type Activities:			
Land and water rights		12,532,469	12,127,469
Electric System		30,214,802	28,779,938
Water System		57,134,600	56,424,276
Gas System		4,922,994	4,951,147
Sewer System		22,642,904	21,965,237
Sanitation Sysetm		1,885,065	1,799,268
Construction in Progress		1,101,154	10,350
Total Business-Type Capital Assets		130,433,988	126,057,685
Accumulated Depreciation		(65,240,653)	(62,323,604)
Business-Type Activities Capital Assets, Net of Depreciation		65,193,335	63,734,081

Additional information on the City's capital assets can be found in Note 5 on pages 25 and 26 of this report.

City of Fort Morgan
Management's Discussion and Analysis
December 31, 2022

Debt Administration

At year-end, the City had \$16.3 million in bonds, notes and lease purchase obligations outstanding versus \$18.9 million in 2021. This is a decrease of \$1.6 million (8.7%) as shown in the table below with more information in Note 7 on pages 27 and 28.

Summary of Debt
December 31, 2022 and 2021

	2022	2021
Revenue bonds and notes payable	\$ 7,794,000	\$ 8,774,000
Lease purchases	8,520,000	9,101,000
Total	\$ 16,314,000	\$ 17,875,000

The State limits the amount of general obligation debt that cities can issue to 3 percent of the actual value of the taxable property within the City's corporate limits. The City currently has no outstanding general obligation debt so the full \$21 million state-imposed limit is available subject to voter approval and authorization.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the 2023 budget, tax rates, and fees. One of those factors is the economy. The city's sales and use tax revenues increased by \$203 thousand (1.5%). This increase was less than both the Denver-Aurora-Lakewood and U.S. CPI which were both above 6% in 2022. However, governmental expenditures decreased \$811 thousand (2.6%).

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have question about this report or need additional financial information, please contact the City Treasurer's Office at City of Fort Morgan, 710 E. Railroad Ave., Fort Morgan, CO 80701.

City of Fort Morgan

Basic Financial Statements

City of Fort Morgan
Statement of Net Position
December 31, 2022

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and investments	\$ 38,032,310	\$ 39,928,034	\$ 77,960,344
Accounts and taxes receivable	3,732,660	5,702,054	9,434,714
Due from Fiduciary Fund	93,560	-	93,560
Prepaid items	83,661	19,832	103,493
Inventories	62,996	2,157,032	2,220,028
Restricted cash, cash equivalents and investments	1,931,452	-	1,931,452
Lease receivable	-	3,441,593	3,441,593
Net pension asset	-	380,865	380,865
Capital assets, not being depreciated	6,448,826	13,633,623	20,082,449
Capital assets, net of accumulated depreciation	59,816,575	51,559,712	111,376,287
TOTAL ASSETS	110,202,040	116,822,745	227,024,785
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,198,505	575,129	1,773,634
Deferred outflows related to OPEB	54,986	42,411	97,397
Deferred utility costs	-	301,227	301,227
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,253,491	918,767	2,172,258
LIABILITIES			
Accounts payable	817,137	2,340,617	3,157,754
Customer deposits	26,407	66,742	93,149
Accrued expenses	567,960	143,796	711,756
Other liabilities	332,312	-	332,312
Accrued interest payable	-	20,558	20,558
Long-term liabilities:			
Compensated absences payable	493,919	313,385	807,304
Due within one year	591,000	1,010,000	1,601,000
Due in more than one year	7,929,000	6,784,000	14,713,000
Net pension liability	1,527,759	-	1,527,759
Net OPEB liability	386,049	297,768	683,817
TOTAL LIABILITIES	12,671,543	10,976,866	23,648,409
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	4,479,247	3,300,919	7,780,166
Deferred inflows related to OPEB	136,849	105,553	242,402
Unearned revenue	2,301,170	6,629,395	8,930,565
TOTAL DEFERRED INFLOWS OF RESOURCES	6,917,266	10,035,867	16,953,133
NET POSITION			
Net investment in capital assets	57,745,401	57,399,335	115,144,736
Restricted	3,378,378	-	3,378,378
Unrestricted	30,742,943	39,329,444	70,072,387
TOTAL NET POSITION	\$ 91,866,722	\$ 96,728,779	\$ 188,595,501

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

City of Fort Morgan
Statement of Activities
For the Year Ended Decemer 31, 2022

FUNCTIONS / PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Primary Government							
Governmental activities:							
General government	\$ 2,046,433	\$ -	\$ 528,108	\$ -	\$ (1,518,325)	\$ -	\$ (1,518,325)
Public safety	5,993,470	-	748,391	-	(5,245,079)	-	(5,245,079)
Community development and public works	5,169,638	22,437	870,729	395,778	(3,880,694)	-	(3,880,694)
Parks and recreation	5,757,475	1,076,236	244,229	397,733	(4,039,277)	-	(4,039,277)
Interest on long-term debt	150,270	-	-	-	(150,270)	-	(150,270)
Total Governmental Activities	<u>19,117,286</u>	<u>1,098,673</u>	<u>2,391,457</u>	<u>793,511</u>	<u>(14,833,645)</u>	<u>-</u>	<u>(14,833,645)</u>
Business-Type Activities:							
Electric	23,677,275	22,426,363	-	-	-	(1,250,912)	(1,250,912)
Water	9,027,488	10,655,295	-	511,728	-	2,139,535	2,139,535
Gas	5,804,850	6,500,906	-	-	-	696,056	696,056
Wastewater	2,577,837	2,711,014	-	-	-	133,177	133,177
Sanitation	1,342,370	1,259,559	-	-	-	(82,811)	(82,811)
Total Business-Type Activities	<u>42,429,820</u>	<u>43,553,137</u>	<u>-</u>	<u>511,728</u>	<u>-</u>	<u>1,635,045</u>	<u>1,635,045</u>
Total Primary Government	<u>\$ 61,547,106</u>	<u>\$ 44,651,810</u>	<u>\$ 2,391,457</u>	<u>\$ 1,305,239</u>	<u>\$ (14,833,645)</u>	<u>\$ 1,635,045</u>	<u>\$ (13,198,600)</u>
General Revenues:							
Property taxes					\$ 2,160,913	\$ -	\$ 2,160,913
Specific Ownership Taxes					179,559	-	179,559
Sales and Use Taxes					13,783,338	-	13,783,338
Franchise taxes					85,990	-	85,990
Other governmental in lieu of taxes					4,130,883	-	4,130,883
Gain on sale of capital asset					120	9,252	9,372
Other revenues					588,123	984,140	1,572,263
Net earnings (loss) on investments					(524,644)	(907,860)	(1,432,504)
Total general revenues					<u>20,404,282</u>	<u>85,532</u>	<u>20,489,814</u>
Change in net position					<u>5,570,637</u>	<u>1,720,577</u>	<u>7,291,214</u>
NET POSITION, BEGINNING					<u>86,296,085</u>	<u>95,008,202</u>	<u>181,304,287</u>
NET POSITION, ENDING					<u>\$ 91,866,722</u>	<u>\$ 96,728,779</u>	<u>\$ 188,595,501</u>

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

City of Fort Morgan
Balance Sheet
Governmental Funds
December 31, 2022

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash, cash equivalents and investments	\$ 29,615,782	\$ 535,312	\$ 496,052	\$ 30,647,146
Restricted cash, cash equivalents and investments	1,493,861	394,554	43,037	1,931,452
Due from Fiduciary Fund	93,560	-	-	93,560
Receivables	3,040,383	659,748	-	3,700,131
Inventories	62,996	-	-	62,996
Prepaid items	77,161	-	-	77,161
TOTAL ASSETS	\$ 34,383,743	\$ 1,589,614	\$ 539,089	\$ 36,512,446
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 202,941	\$ 611,452	\$ -	\$ 814,393
Accrued expenses	-	12,141	-	12,141
Accrued payroll expenses	228,539	-	-	228,539
Customer deposits	26,407	-	-	26,407
Other liabilities	332,312	-	-	332,312
TOTAL LIABILITIES	790,199	623,593	-	1,413,792
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	2,301,170	-	-	2,301,170
TOTAL DEFERRED INFLOWS OF RESOURCES	2,301,170	-	-	2,301,170
FUND BALANCES				
Nonspendable	140,157	-	-	140,157
Committed	-	50,622	-	50,622
Restricted	1,923,890	915,399	539,089	3,378,378
Unassigned	29,228,327	-	-	29,228,327
TOTAL FUND BALANCES	31,292,374	966,021	539,089	32,797,484
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 34,383,743	\$ 1,589,614	\$ 539,089	\$ 36,512,446

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

City of Fort Morgan
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
For the Year Ended December 31, 2022

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

Total fund balance - governmental funds	\$	32,797,484
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:		
Capital assets		114,153,198
Less: Accumulated depreciation		(47,887,797)
Net capital assets		<u>66,265,401</u>
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund financial statements.		
Lease purchase obligations		(8,520,000)
Compensated absences payable		(493,919)
Net long-term liabilities		
Pension and OPEB liabilities and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements.		
Net pension liability		(1,527,759)
Deferred outflows of resources relating to pensions		1,198,505
Deferred inflows of resources relating to pensions		(4,479,247)
Net OPEB liability		(386,049)
Deferred outflows of resources relating to OPEB		54,986
Deferred inflows of resources relating to OPEB		(136,849)
Internal service funds are collapsed into governmental activities		<u>7,094,169</u>
Total net position - governmental activities	\$	<u><u>91,866,722</u></u>

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

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

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Taxes	\$ 9,343,256	\$ 6,866,544	\$ -	\$ 16,209,800
Licenses and Permits	59,669	-	-	59,669
Intergovernmental	5,358,481	395,778	397,733	6,151,992
Charges for Services	1,098,673	-	-	1,098,673
Fines and Forfeitures	107,991	-	-	107,991
Miscellaneous	586,371	1,872	-	588,243
Earnings (Loss) on Investments	(489,035)	(35,609)	-	(524,644)
TOTAL REVENUES	16,065,406	7,228,585	397,733	23,691,724
EXPENDITURES:				
Current:				
General Government	1,275,276	-	-	1,275,276
Public Safety	6,063,202	-	-	6,063,202
Community development and public works	1,800,146	-	-	1,800,146
Parks and recreation and golf	5,195,589	-	-	5,195,589
Debt Service:				
Principal	-	581,000	-	581,000
Interest	-	150,270	-	150,270
Capital outlay	-	10,835,425	5,778	10,841,203
TOTAL EXPENDITURES	14,334,213	11,566,695	5,778	25,906,686
NET CHANGE IN FUND BALANCE	1,731,193	(4,338,110)	391,955	(2,214,962)
FUND BALANCES, BEGINNING OF YEAR	29,561,181	5,304,131	147,134	35,012,446
FUND BALANCES, END OF YEAR	\$ 31,292,374	\$ 966,021	\$ 539,089	\$ 32,797,484

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

City of Fort Morgan
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

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

Total net change in fund balances - governmental funds	\$ (2,214,962)
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay and disposals exceeded depreciation during the period.</p>	
Capital outlay	9,092,910
Net book value of capital assets disposed	(423,341)
Depreciation expense	<u>(4,377,308)</u>
Net amount	4,292,261
<p>Payments of long-term debt principal are expenditures in governmental funds, but the payments reduce long-term liabilities in the statement of net position and do not affect the statement of activities. This amount represents payments on capital leases during the current year.</p>	
	581,000
<p>Internal service funds are collapsed into governmental activities.</p>	
	996,199
<p>An increase in accrued compensated absences liability is reflected as an increase to expense on the statement of activities and not reflected as an expense on the governmental fund statement of revenues, expenditures and changes in fund balances.</p>	
	(85,583)
<p>Changes in the City's net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the City's pension and OPEB plans for the current year do not require the use of current financial resources, and therefore, are not reported as income in the governmental fund financial statements.</p>	
	<u>2,001,722</u>
Change in net position of governmental activities	<u>\$ 5,570,637</u>

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

City of Fort Morgan
Proprietary Funds
Statement of Net Position
December 31, 2022

ASSETS	Business-Type Activities						Governmental
	Electric Fund	Water Fund	Gas Fund	Wastewater Fund	Other Enterprise Fund	Total Enterprise Funds	Internal Service Fund
Current Assets							
Cash, cash equivalents and investments	\$ 6,405,144	\$ 17,545,455	\$ 6,135,039	\$ 7,955,182	\$ 1,887,214	\$ 39,928,034	\$ 7,385,164
Receivables	2,297,145	1,101,146	1,841,935	320,131	141,697	5,702,054	32,529
Prepaid items	345	12,634	3,853	3,000	-	19,832	6,500
Inventories	1,652,301	391,227	113,504	-	-	2,157,032	-
Total Current Assets	10,354,935	19,050,462	8,094,331	8,278,313	2,028,911	47,806,952	7,424,193
Non-Current Assets							
Lease receivable	3,441,593	-	-	-	-	3,441,593	-
Net pension asset	181,322	75,424	46,110	56,507	21,502	380,865	-
Capital assets, net of accumulated depreciation	11,985,748	40,942,469	1,056,240	10,672,379	536,499	65,193,335	-
Total Non-Current Assets	15,608,663	41,017,893	1,102,350	10,728,886	558,001	69,015,793	-
TOTAL ASSETS	25,963,598	60,068,355	9,196,681	19,007,199	2,586,912	116,822,745	7,424,193
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows of resources relating to pensions	273,807	113,895	69,629	85,329	32,469	575,129	-
Deferred outflows of resources relating to OPEB	20,191	8,399	5,135	6,292	2,394	42,411	-
Deferred utility costs	-	-	301,227	-	-	301,227	-
Total Deferred Outflows of Resources	293,998	122,294	375,991	91,621	34,863	918,767	-
LIABILITIES							
Current Liabilities:							
Accounts payable	1,624,762	24,275	577,770	84,216	29,594	2,340,617	2,744
Accrued expenses	77,362	25,434	14,738	19,789	6,473	143,796	327,280
Customer deposits	66,742	-	-	-	-	66,742	-
Accrued interest payable	-	20,558	-	-	-	20,558	-
Current portion of long-term debt	-	1,010,000	-	-	-	1,010,000	-
Total Current Liabilities	1,768,866	1,080,267	592,508	104,005	36,067	3,581,713	330,024
Non-Current Liabilities:							
Compensated absences payable	148,407	61,001	40,239	50,534	13,204	313,385	-
Bonds and notes payable	-	6,784,000	-	-	-	6,784,000	-
Net OPEB liability	141,761	58,968	36,050	44,178	16,811	297,768	-
Total Non-Current Liabilities	290,168	6,903,969	76,289	94,712	30,015	7,395,153	-
TOTAL LIABILITIES	2,059,034	7,984,236	668,797	198,717	66,082	10,976,866	330,024
DEFERRED INFLOWS OF RESOURCES							
Unearned revenue	3,748,053	120	-	2,881,222	-	6,629,395	-
Deferred inflows related to pensions	1,571,498	653,694	399,631	489,740	186,356	3,300,919	-
Deferred inflows related to OPEB	50,252	20,903	12,779	15,660	5,959	105,553	-
TOTAL DEFERRED INFLOWS OF RESOURCES	5,369,803	674,717	412,410	3,386,622	192,315	10,035,867	-
NET POSITION							
Net investment in capital assets	11,985,748	33,148,469	1,056,240	10,672,379	536,499	57,399,335	-
Unrestricted	6,843,011	18,383,227	7,435,225	4,841,102	1,826,879	39,329,444	7,094,169
TOTAL NET POSITION	\$ 18,828,759	\$ 51,531,696	\$ 8,491,465	\$ 15,513,481	\$ 2,363,378	\$ 96,728,779	\$ 7,094,169

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

City of Fort Morgan
Proprietary Funds
Statement of Revenues, Expenditures
and Changes in Net Position
For the Year Ended December 31, 2022

	Business-Type Activities					Governmental Activities	
	Electric Fund	Water Fund	Gas Fund	Wastewater Fund	Other Enterprise Fund	Total	Internal Service Fund
OPERATING REVENUES							
Charges for services	\$ 22,426,363	\$ 10,655,295	\$ 6,500,906	\$ 2,711,014	\$ 1,259,559	\$ 43,553,137	\$ 5,049,048
TOTAL OPERATING REVENUES	<u>22,426,363</u>	<u>10,655,295</u>	<u>6,500,906</u>	<u>2,711,014</u>	<u>1,259,559</u>	<u>43,553,137</u>	<u>5,049,048</u>
OPERATING EXPENSES							
Transmission, distribution and collection	3,808,482	1,934,119	682,194	351,794	961,015	7,737,604	-
Commodities	15,514,815	-	3,716,757	-	-	19,231,572	-
Self insurance premiums	-	-	-	-	-	-	599,004
Self insurance claims	-	-	-	-	-	-	3,710,748
General administration	387,936	526,301	488,644	384,702	211,532	1,999,115	141,841
Treatment	-	4,880,394	-	997,118	-	5,877,512	-
In lieu of fees	3,144,638	-	796,086	127,205	62,954	4,130,883	-
Depreciation expense	821,404	1,410,789	121,169	701,951	106,869	3,162,182	-
TOTAL OPERATING EXPENSES	<u>23,677,275</u>	<u>8,751,603</u>	<u>5,804,850</u>	<u>2,562,770</u>	<u>1,342,370</u>	<u>42,138,868</u>	<u>4,451,593</u>
OPERATING INCOME (LOSS)	<u>(1,250,912)</u>	<u>1,903,692</u>	<u>696,056</u>	<u>148,244</u>	<u>(82,811)</u>	<u>1,414,269</u>	<u>597,455</u>
NON-OPERATING REVENUES (EXPENSES)							
Earnings (loss) on investments	(308,129)	(311,484)	(132,949)	(111,709)	(43,589)	(907,860)	7,040
Rents	43,356	-	-	-	-	43,356	-
Other revenues	301,241	947,385	78,699	123,996	1,191	1,452,512	391,704
Gain/(Loss) on asset disposal	10,841	(2,849)	-	1,260	-	9,252	-
Interest expense	-	(275,885)	-	(15,067)	-	(290,952)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>47,309</u>	<u>357,167</u>	<u>(54,250)</u>	<u>(1,520)</u>	<u>(42,398)</u>	<u>306,308</u>	<u>398,744</u>
CHANGES IN NET POSITION	<u>(1,203,603)</u>	<u>2,260,859</u>	<u>641,806</u>	<u>146,724</u>	<u>(125,209)</u>	<u>1,720,577</u>	<u>996,199</u>
NET POSITION, BEGINNING OF YEAR	<u>20,032,362</u>	<u>49,270,837</u>	<u>7,849,659</u>	<u>15,366,757</u>	<u>2,488,587</u>	<u>95,008,202</u>	<u>6,097,970</u>
NET POSITION, END OF YEAR	<u>\$ 18,828,759</u>	<u>\$ 51,531,696</u>	<u>\$ 8,491,465</u>	<u>\$ 15,513,481</u>	<u>\$ 2,363,378</u>	<u>\$ 96,728,779</u>	<u>\$ 7,094,169</u>

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

City of Fort Morgan
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2022

	Business-Type Activities					Governmental Activities	
	Electric Fund	Water Fund	Gas Fund	Wastewater Fund	Other Enterprise Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from customers	\$ 19,102,709	\$ 10,500,474	\$ 5,472,912	\$ 4,107,963	\$ 1,255,859	\$ 40,439,917	\$ 5,085,523
Cash payments to suppliers	(21,327,316)	(6,679,898)	(5,016,912)	(1,292,391)	(982,524)	(35,299,041)	(4,459,897)
Cash payments to employees	(2,514,882)	(1,065,877)	(848,413)	(807,810)	(361,063)	(5,598,045)	-
NET CASH FROM OPERATING ACTIVITIES	(4,739,489)	2,754,699	(392,413)	2,007,762	(87,728)	(457,169)	625,626
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES							
Rents	43,356	-	-	-	-	43,356	-
Other income	301,241	947,385	78,699	123,996	1,191	1,452,512	391,704
NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES	344,597	947,385	78,699	123,996	1,191	1,495,868	391,704
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital grants and contributions							
Acquisition of capital assets	(1,591,456)	(1,227,010)	-	(1,720,021)	(85,797)	(4,624,284)	-
Sale of capital assets	10,841	-	-	1,260	-	12,101	-
Principal paid on long-term debt	-	(980,000)	-	-	-	(980,000)	-
Interest paid on long-term debt	-	(275,885)	-	-	-	(275,885)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(1,580,615)	(2,482,895)	-	(1,718,761)	(85,797)	(5,868,068)	-
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received (paid)	(308,129)	(311,484)	(132,949)	(126,776)	(43,589)	(922,927)	7,040
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(308,129)	(311,484)	(132,949)	(126,776)	(43,589)	(922,927)	7,040
NET CHANGE IN CASH AND CASH EQUIVALENTS	(6,283,636)	907,705	(446,663)	286,221	(215,923)	(5,752,296)	1,024,370
CASH AND CASH EQUIVALENTS							
Beginning of Year	12,688,780	16,637,750	6,581,702	7,668,961	2,103,137	45,680,330	6,360,794
End of Year	\$ 6,405,144	\$ 17,545,455	\$ 6,135,039	\$ 7,955,182	\$ 1,887,214	\$ 39,928,034	\$ 7,385,164
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES							
Operating income (loss)	\$ (1,250,912)	\$ 1,903,692	\$ 696,056	\$ 148,244	\$ (82,811)	\$ 1,414,269	\$ 597,455
Adjustments to reconcile operating income to net cash flows from operating activities							
Depreciation	821,404	1,410,789	121,169	701,951	106,869	3,162,182	-
(Increase) decrease in operating assets:							
Accounts receivable	(3,560,267)	(154,821)	(1,027,994)	(43,662)	(3,700)	(4,790,444)	36,475
Inventories	(540,293)	(91,969)	(14,411)	-	-	(646,673)	-
Deferred outflows	236,636	110,142	(108,182)	68,780	35,963	343,339	-
Prepaid items	(345)	(153)	(1,849)	(195)	-	(2,542)	6,399
(Increase) decrease in operating liabilities:							
Accounts payable	170,676	(13,317)	158,796	(74,548)	(7,696)	233,911	(14,703)
Net pension and OPEB liabilities	(1,244,740)	(544,367)	(315,390)	(376,634)	(165,550)	(2,646,681)	-
Deferred inflows	386,224	133,513	99,392	131,922	27,405	778,456	-
Unearned revenues	236,015	-	-	1,440,611	-	1,676,626	-
Deposits	598	-	-	-	-	598	-
Compensated absences payable	5,515	1,190	-	11,293	1,792	19,790	-
NET CASH FROM OPERATING ACTIVITIES	\$ (4,739,489)	\$ 2,754,699	\$ (392,413)	\$ 2,007,762	\$ (87,728)	\$ (457,169)	\$ 625,626

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

City of Fort Morgan
Statement of Fiduciary Net Position (Deficit)
December 31, 2022

	CEMETERY PERPETUAL CARE FUND	RIVERVIEW COMMONS GID FUND
ASSETS		
Restricted cash, cash equivalents and investments	\$ 779,121	\$ -
Receivables	2,016	-
TOTAL ASSETS	781,137	-
LIABILITIES		
Due to the General Fund	1,580	93,560
TOTAL LIABILITIES	1,580	93,560
FIDUCIARY NET POSITION (DEFICIT)	\$ 779,557	\$ (93,560)

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

City of Fort Morgan
Statement of Changes in Fiduciary Net Position (Deficit)
December 31, 2022

	CEMETERY PERPETUAL CARE FUND	RIVERVIEW COMMONS GID FUND
ADDITIONS		
Charges for services	\$ 18,960	\$ 29,003
Earnings (loss) on investments	(4,044)	-
Transfers in	4,770	-
TOTAL ADDITIONS	<u>19,686</u>	<u>29,003</u>
DEDUCTIONS		
Parks and recreation	4,916	-
Community development and public works	-	29,003
TOTAL DEDUCTIONS	<u>4,916</u>	<u>29,003</u>
CHANGE IN FIDUCIARY NET POSITION	<u>14,770</u>	<u>-</u>
FIDUCIARY NET POSITION (DEFICIT) BEGINNING OF YEAR	<u>764,787</u>	<u>(93,560)</u>
FIDUCIARY NET POSITION (DEFICIT) END OF YEAR	<u><u>\$ 779,557</u></u>	<u><u>\$ (93,560)</u></u>

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

City of Fort Morgan
Notes to Financial Statements
December, 31, 2022

1. Summary of Significant Accounting Policies

The financial statements of the City of Fort Morgan, Colorado (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

The City was incorporated in 1887 and adopted its Home Rule Charter during 1914. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety; highways and streets; sanitation; health and social services; culture - recreation; education; public improvements; planning and zoning; and general administrative services. The City's basic financial statements include the accounts of all City operations. As required by GAAP, these financial statements present the activities of the City, which is legally separate and financially independent of other state and local governments.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
2. Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on the application of these criteria, there are no component units included in the City's reporting entity.

Government-wide and Fund Financial Statements

The City uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for all, or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the capital projects funds.

City of Fort Morgan
Notes to Financial Statements
December 31, 2022

The following are the City's major governmental funds:

General Fund - The General Fund (a major fund) is the City's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes, sales tax, franchise tax and other intergovernmental revenues. Expenditures include all costs associated with the daily operations of the City government, public safety, public works, parks and recreation and community development.

Capital Improvement Fund - This fund accounts for the sales tax revenues used to fund the City's capital improvement projects. It is a major special revenue fund.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds or internal service funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City's major enterprise funds include the Electric, Water, Gas, and Wastewater funds. The internal service fund accounts for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has one internal service fund, the Self Insurance Fund.

The City has two fiduciary funds. The Cemetery Perpetual Care Fund accounts for nonexpendable corpus amounts, of which the investment earnings are transferred to the General Fund to assist in covering operating costs. In 2006, the City created a General Improvement District Fund (the "District") to account for ongoing improvements related to the Riverview Commons development project (reflected as the Riverview Commons GID Fund in the accompanying financial statements). The District is a special improvement district which has issued \$2,035,000 of special improvement bonds to defray a portion of the costs of the public improvements needed to serve the residential portion of the project. The developer will complete the various improvements, be reimbursed through the bond proceeds held in trust by the City, and then will convey these improvements to the City. The issued bonds bear interest at 6.5% and mature in 2026. The City is not contingently liable for the debt.

Basis of Presentation

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations, with a brief explanation, to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

City of Fort Mogran
Notes to Financial Statements
December, 31, 2022

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

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

Cigarette taxes, sales taxes, auto use taxes, taxpayer-assessed taxes, earnings on investments and charges for services are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operations of the fund are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting.

Revenues - Exchange and Non-Exchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of fiscal year-end.

City of Fort Mogran
Notes to Financial Statements
December, 31, 2022

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, intergovernmental revenues and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, intergovernmental revenues and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: sales taxes and other intergovernmental revenues.

Unearned Revenue

Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the deferred inflow of resources for unearned revenue is removed and revenue is recognized.

Expenses/ Expenditures

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

Accounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes.

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 proprietary funds principal ongoing operations. The principal operating revenues of the government's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgets and Budgetary Accounting

An annual budget and appropriation ordinance is adopted by the City Council in accordance with the City Charter. The budget is prepared on a basis consistent with GAAP for all governmental and proprietary funds, except that for proprietary funds, principal payments of long-term liabilities and purchases of capital assets are budgeted as expenditures, and the issuance of long-term liabilities are budgeted as other financing sources.

City of Fort Morgan
Notes to Financial Statements
December, 31, 2022

On, or about October 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Also, public hearings are conducted at a special meeting and at regular City Council meetings to obtain taxpayer comments. Prior to December 15, the budget is legally adopted by the City Council.

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations.

All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

Budgeted expenditures reported in the accompanying financial statements are as originally adopted and as amended by the City Council throughout the year. The following is a summary of the original budget, total revisions, and revised budget for those funds with amended budgets for the year ended December 31, 2022:

	<u>Original Budget</u>	<u>Total Revisions</u>	<u>Revised Budget</u>
Governmental funds:			
General Fund	\$ 16,084,146	\$ -	\$ 16,084,146
Capital Improvement Fund	11,103,000	463,695	11,566,695
Police Forfeiture Fund	13,000	-	13,000
Conservation Trust Fund	1,055,000	-	1,055,000
Internal Service fund:			
Self Insurance Fund	5,185,894	-	5,185,894
Enterprise funds:			
Electric Fund	23,668,741	778,586	24,447,327
Water Fund	9,751,793	-	9,751,793
Gas Fund	4,515,571	1,168,110	5,683,681
Waste Water Fund	3,739,140	-	3,739,140
Sanitation Fund	1,855,779	-	1,855,779
Fiduciary fund:			
Cemetery Perpetual Care Fund	5,000	-	5,000
Riverview GID Fund	30,000	-	30,000
Total funds	<u>\$ 77,007,064</u>	<u>\$ 2,410,391</u>	<u>\$ 79,417,455</u>

Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments include cash on hand, demand deposits, certificates of deposit, participation in local government investment pools, government securities, money markets, and corporate securities. All cash equivalents have an original maturity date of less than three months. Cash balances from different funds are combined and invested to the extent possible in local government investment pools.

City of Fort Mogran
Notes to Financial Statements
December, 31, 2022

To improve cash management, cash received by the City is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Cash and Cash Equivalents" in the financial statements. Investments of the City's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported at fair value in accordance with GASB Statement No.72, *Fair Value Measurement and Application*.

Restricted Cash

The amounts restricted are in compliance with various debt requirements associated with the City's long- term debt.

Property Taxes

Property taxes are levied prior to December 31 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on the last day of February and June 15. The County Treasurer's office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflows of resources is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflows of resources are recognized as revenue and the receivable is reduced.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Short-Term Inter-Fund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide statement of net position and classified as due from other funds or due to other funds on the fund financial statements.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Because these assets do not represent current financial resources, there is a corresponding nonspendable fund balance in the governmental funds.

Inventories

Inventories are valued at cost, using the first -in, first-out method. Because these assets do not represent current financial resources, there is a corresponding nonspendable fund balance in the governmental funds.

City of Fort Mogran
Notes to Financial Statements
December, 31, 2022

Capital Assets

Capital assets, which include land, buildings and other improvements, infrastructure, machinery and equipment, and vehicles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements, and in the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Life</u>
Buildings & other improvements	30 years
Infrastructure	20 years
Vehicles & equipment	5 - 10 years
Utility systems	10 – 40 years

Compensated Absences Payable

In accordance with the provisions of the GASB Statement No. 16, *Accounting for Compensated Absences*, vested or accumulated vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. Compensated absences are reported in governmental funds only if they have matured.

Accrued Liabilities and Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental or business-type activities. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method as principal is paid. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are recognized as an expenditure/ expense during the period of issuance.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. Payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

City of Fort Mogran
Notes to Financial Statements
December, 31, 2022

Deferred Out flows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred outflows of resources for pension and OPEB- related amounts. See Notes 8 and 9 for additional information.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resource relating to property taxes. In addition, the City reports deferred inflows of resources for pension and OPEB-related amounts. See Notes 6, 8 and 9 for additional information.

Fund Balance and Net Position

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the City, which is not restricted for any project or other purpose. A deficit will require future funding.

In the governmental fund financial statements, fund balances are classified in five separate categories. The categories, and their general meanings, are as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through resolutions approved by the City Council.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has authority to assign amounts for specific purposes.

City of Fort Morgan
Notes to Financial Statements
December, 31, 2022

Unassigned - all other spendable amounts. Only the General Fund reports a positive unassigned fund balance. In other governmental funds, other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to other purposes, the funds would report a negative unassigned fund balance; however, any amount reported as assigned fund balance would have to be eliminated before a negative unassigned fund balance could be reported.

As of December 31, 2022, fund balances were composed of the following:

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventories	\$ 62,996	\$ -	\$ -	\$ 62,996
Prepaid items	77,161	-	-	77,161
Committed:				
Environmental improvements	-	50,622	-	50,622
Restricted:				
Emergency reserve	430,029	-	-	430,029
Donations and memorials	146,197	-	-	146,197
Parks and recreation	55,303	-	496,052	551,355
Public safety	27,967	-	43,037	71,004
Capital improvements	1,264,394	915,399	-	2,179,793
Unassigned:	<u>29,228,327</u>	<u>-</u>	<u>-</u>	<u>29,228,327</u>
Total	<u>\$ 31,292,374</u>	<u>\$ 966,021</u>	<u>\$ 539,089</u>	<u>\$ 32,797,484</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to use restricted resources first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

Contribution of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources to be used for capital acquisition and construction.

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/ expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/ expenses in the reimbursing fund and as reductions of expenditures/ expenses in the fund that is reimbursed. All other inter-fund transactions are reported as transfers.

Contraband Forfeitures

The Colorado Contraband Forfeiture Act allows law enforcement agencies to retain proceeds from the seizure of contraband. These proceeds are not subject to appropriation in the budget process. Cash proceeds are recorded in the Police Forfeiture Fund. Property and equipment seized are recorded as governmental capital assets.

City of Fort Morgan
Notes to Financial Statements
December, 31, 2022

Pensions

The City participates in the Local Government Division Trust Fund ("LGDTF"), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to / deductions 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.

In addition, the City contributes to a Volunteer Pension Plan and Old Hire Pension Plan; agent multiple-employer plans administered by the Fire and Police Pension Association of Colorado ("FPPA").

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits ("OPEB")

The City participates in the Health Care Trust Fund ("HCTF"), a cost-sharing multiple -employer defined benefit OPEB fund administered by 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.

Use of Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and could be material.

New Accounting Standards

GASB Statement No. 87, Leases, issued June 2017, improves accounting and financial reporting for leases by governments. The City adopted GASB 87 for the period ended December 31, 2022, and as a result, recognized a lease receivable and deferred inflow of resources in the financial statements. A restatement of the prior period was not required. Additional information on the lease receivable is provided in Note 6.

City of Fort Morgan
Notes to Financial Statements
December, 31, 2022

2. Cash and Investments

A summary of cash and investments as of December 31, 2022, follows:

Cash on hand	\$ 4,016
Cash with county treasurer	17,872
Cash in financial institutions	27,477,637
Investments	<u>53,171,392</u>
Total	<u>\$ 80,670,917</u>

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

	Governmental Activities	Business-Type Activities	Fiduciary fund statements	Total
Cash, cash equivalents, and investments	38,032,310	\$ 39,928,034	\$ -	\$ 77,960,344
Restricted cash, cash equivalents, and investments	1,931,452	-	779,121	2,710,573
	<u>\$39,963,762</u>	<u>\$39,928,034</u>	<u>\$779,121</u>	<u>\$80,670,917</u>

Custodial Credit Risk - Deposits

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The City's deposit policy is in accordance with Colorado Revised Statutes, ("CRS") 11 -1 0.5-101, 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 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 maintained by another institution or held in trust for all of 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, the City had deposits with financial institutions with a carrying amount of \$27,477,637. The bank balances with the financial institutions were \$29,072,319, of which \$1,000,000 was covered by federal depository insurance. The remaining balance of \$28,072,319 was collateralized with securities held by the financial institutions' agents but not in the City's name.

At December 31, 2022, the City had the following investments:

Investments	S&P Rating	Fair Value	Maturity Date (in years)		Concentration of Credit Risk
			Less than 1	1 to Less than 5	
Certificates of Deposit	NR	\$ 1,411,136	N/A	N/A	2.65%
US Treasury Bonds/Notes	AA+	28,964,019	3,023,161	25,940,858	54.47%
Municipal Bonds/Notes	AA-AA+	1,320,907	662,348	658,559	2.48%
Federal Agency Collateralized Mortgage Obligations	AA+	1,694,812	91,709	1,603,103	3.19%
Federal Agency Bonds/Notes	AA+	3,950,950	2,174,984	1,775,966	7.43%
Corporate Securities	AA-/AAA	2,716,549	-	2,716,549	5.11%
Local Government Investment Pool (CSIP)	AAAm/N/R	<u>13,113,019</u>	N/A	N/A	24.66%
Total		<u>\$53,171,392</u>			

City of Fort Mogran
Notes to Financial Statements
December, 31, 2022

The City's investments measured and reported at fair value are classified according to the following hierarchy:

- Level 1 - Investments reflect prices quoted in active markets.
- Level 2 - Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 - Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment risk.

The City's investment balances at fair value hierarchy are as follows:

Investments	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ -	\$ 1,411,136	\$ -	\$ 1,411,136
US Treasury Bonds/Notes	-	28,964,019	-	28,964,019
Municipal Bonds/Notes	-	1,320,907	-	1,320,907
Federal Agency Collateralized Mortgage Obligations	-	1,694,812	-	1,694,812
Federal Agency Bonds/Notes	-	3,950,950	-	3,950,950
Corporate Securities	2,716,549	-	-	2,716,549
Total	\$ 2,716,549	\$37,341,824	\$ -	\$ 40,058,373

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a specific policy for custodial credit risk. As of December 31, 2022, the City had no investments exposed to custodial credit risk.

Credit Risk - Investments

State statutes and the City's investment policies authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

Interest Rate Risk

Colorado Revised Statutes and the City's investment policies limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value fluctuations arising from changing interest rates.

Colorado Statewide Investment Plan - CSIP

As of December 31, 2022, the City invested in PFM Funds Prime Series, Colorado Investors Class, a money market mutual fund (marketed as the Colorado Statewide Investment Program or CSIP). The Prime Series is a separate investment portfolio of PFM Funds (the "Trust"). The Trust is an open-ended, diversified, management investment company registered under the Investment Company Act of 1940. The PFM Funds Prime Series invests in obligations of the United States Government and its

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agencies, high quality debt obligations of U.S. companies and obligations of financial institutions and is rated AAm by Standard & Poor's. PFM Asset Management, LLC serves as the investment advisor, administrator and transfer agent. Shares of the Fund are distributed by PFM Fund Distributors, Inc., member Financial Industry Regulatory Authority ("FINRA"). U.S. Bank N.A serves as the custodian and acts as safekeeping agent. These money market funds seek to earn the highest income consistent with preserving principal and maintaining liquidity, and to maintain a stable \$1.00 net asset value. The City records its investment in CSIP at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

3. Interfund Transactions

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Contributed capital between the governmental funds and proprietary funds is shown within the transfer line for financial statement presentation.

During the year ended December 31, 2022, there were no transfers between funds.

4. Receivables

Receivables at December 31, 2022 consist of the following:

	Governmental Funds	Proprietary Funds	Internal Service Fund	Fiduciary Funds	Total
Taxes	\$ 2,160,327	\$ -	\$ -	\$ -	\$ 2,160,327
Trade accounts	297,405	740,974	32,320	-	1,070,699
Unbilled revenues	-	4,961,080	-	-	4,961,080
Intergovernmental	1,241,531	-	-	-	1,241,531
Other	868	-	209	2,016	3,093
Total	\$ 3,700,131	\$ 5,702,054	\$ 32,529	\$ 2,016	\$ 9,436,730

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5. Capital Assets

Governmental capital assets activity for the year ended December 31, 2022 was as follows:

	Balance December 31, 2021	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2022
Governmental Activities				
Capital assets, <i>not being depreciated</i> :				
Land	\$ 4,019,591	\$ 1,265,250	\$ (419,008)	\$ 4,865,833
Construction in progress	2,372,453	1,570,552	(2,360,012)	1,582,993
Total capital assets, <i>not being depreciated</i>	<u>6,392,044</u>	<u>2,835,802</u>	<u>(2,779,020)</u>	<u>6,448,826</u>
Capital assets, being depreciated:				
Golf Course	3,375,951	799,698	(12,510)	4,163,139
Land improvements	15,380,972	-	(6,955)	15,374,017
Buildings and improvements	24,346,158	660,603	-	25,006,761
Infrastructure	43,818,160	6,465,719	(5,626)	50,278,253
Vehicles and Equipment	7,264,198	424,449	(206,662)	7,481,985
General equipment	5,215,756	266,651	(82,190)	5,400,217
Total capital assets, being depreciated	<u>99,401,195</u>	<u>8,617,120</u>	<u>(313,943)</u>	<u>107,704,372</u>
Accumulated Depreciation	<u>(43,820,099)</u>	<u>(4,377,308)</u>	<u>309,610</u>	<u>(47,887,797)</u>
Total capital assets, <i>being depreciated</i> , net	<u>55,581,096</u>	<u>4,239,812</u>	<u>(4,333)</u>	<u>59,816,575</u>
Total governmental activities capital assets, net	<u>\$ 61,973,140</u>	<u>\$ 7,075,614</u>	<u>\$ (2,783,353)</u>	<u>\$ 66,265,401</u>

Depreciation for governmental activity capital assets has been allocated to the various activities as follows:

General government	\$ 645,326
Public safety	423,848
Community development & public works	1,833,910
Parks and recreation	1,474,224
Total	<u>\$ 4,377,308</u>

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Business-type capital assets activity for the year ended December 31, 2022 is summarized below:

	Balance December 31, 2021	Transfers/ Additions	Transfers/ Retirements/ Adjustments	Balance December 31, 2022
Business-Type Activities				
<i>Capital assets, not being depreciated:</i>				
Land	\$ -	\$ 952,064	\$ -	\$ 952,064
Water rights	-	11,580,405	-	11,580,405
Construction in progress	10,350	1,090,804	-	1,101,154
Total capital assets, <i>not being depreciated</i>	<u>10,350</u>	<u>13,623,273</u>	<u>-</u>	<u>13,633,623</u>
<i>Capital assets, being depreciated:</i>				
Electric system	28,893,032	1,529,046	(207,276)	30,214,802
Water system	67,998,400	822,010	(11,685,810)	57,134,600
Gas system	4,958,792	-	(35,798)	4,922,994
Sewer system	22,393,843	691,627	(442,566)	22,642,904
Sanitation system	1,803,268	85,797	(4,000)	1,885,065
Total capital assets, being depreciated	<u>126,047,335</u>	<u>3,128,480</u>	<u>(12,375,450)</u>	<u>116,800,365</u>
Accumulated Depreciation	<u>(62,323,604)</u>	<u>(3,162,181)</u>	<u>245,132</u>	<u>(65,240,653)</u>
Total capital assets, <i>being depreciated</i> , net	<u>63,723,731</u>	<u>(33,701)</u>	<u>(12,130,318)</u>	<u>51,559,712</u>
Total business-type activities capital assets, net	<u>\$ 63,734,081</u>	<u>\$ 13,589,572</u>	<u>\$ (12,130,318)</u>	<u>\$ 65,193,335</u>

Depreciation for business type capital assets has been allocated to the various activities as follows:

Electric	\$ 821,404
Water	1,410,788
Gas	121,169
Waste Water	701,951
Sanitation	106,869
	<u>\$ 3,162,181</u>

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6. Lease Receivable

The City is a lessor of a long-term lease of a fiber network which enables the lessee to provide gigabit broadband internet access services and capabilities for Fort Morgan residents. The initial lease term is twenty years with monthly rent due in equal installments. The lease receivable is recorded in an amount equal to the present value of the expected future minimum lease payments received, discounted by an applicable interest rate. Future annual lease payments are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	176,077	247,372	423,449
2024	179,719	215,910	395,629
2025	183,438	182,157	365,595
2026	187,234	130,319	317,553
2027	191,109	112,690	303,799
2028-2039	2,524,016	132,781	2,656,797
Total	<u>\$3,441,593</u>	<u>\$1,021,229</u>	<u>\$4,462,822</u>

The City recognized lease revenue of \$205,892 and interest of \$72,099 during 2022.

7. Long-Term Debt

Following is a summary of governmental long-term debt activity for the year ended December 31, 2022:

Governmental activities	Balance at December 31, 2021	Additions	Payments	Balance at December 31, 2022	Due Within One Year
Other obligations:					
Lease-purchase	\$ 9,101,000	\$ -	\$ (581,000)	\$ 8,520,000	\$ 591,000
Compensated Absences	408,336	177,179	(91,596)	493,919	-
Total	<u>\$ 9,509,336</u>	<u>\$ 177,179</u>	<u>\$ (672,596)</u>	<u>\$ 9,013,919</u>	<u>\$ 591,000</u>

Lease Purchase Financing, Series 2020

During 2020, the City entered into a lease agreement as lessee to construct, install, improve, and equip a new Community Center and Field House on property currently owned by the City. The lease is renewable in one-year terms through 2035 and all rent is to be paid from currently budgeted expenditures of the City, using legally available funds.

The City's future minimum lease obligations related to the Field House lease will mature as follows:

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<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	591,000	141,079	732,079
2024	601,000	130,883	731,883
2025	612,000	120,512	732,512
2026	623,000	109,969	732,969
2027	634,000	99,236	733,236
2028-2035	5,459,000	386,484	5,845,484
Total	<u>\$ 8,520,000</u>	<u>\$ 988,163</u>	<u>\$ 9,508,163</u>

Following is a summary of business-type long-term debt activity for the year ended December 31, 2022:

Business-type activities	Balance at December 31, 2021	Additions	Payments	Balance at December 31, 2022	Due Within One Year
Bonds payable:					
2015 Water Revenue Refunding	\$ 8,774,000	\$ -	\$ (980,000)	\$ 7,794,000	\$ 1,010,000
	<u>8,774,000</u>	<u>-</u>	<u>(980,000)</u>	<u>7,794,000</u>	<u>1,010,000</u>
Other obligations:					
Compensated Absences	310,260	50,726	(47,601)	313,385	-
	<u>310,260</u>	<u>50,726</u>	<u>(47,601)</u>	<u>313,385</u>	<u>-</u>
Total	<u>\$ 9,084,260</u>	<u>\$ 50,726</u>	<u>\$ (1,027,601)</u>	<u>\$ 8,107,385</u>	<u>\$ 1,010,000</u>

2015 Water Revenue Refunding bond

During 2015, the City issued a \$14,635,000 Water Revenue Refunding Bond to NBH Bank, N.A. The bond was issued for the redemption of the remaining portion of the 1995 Colorado Water Conservation Board Note Payable, the 1999 Colorado Water Conservation Board Note Payable, and the 1999A and 1999B USDA Revenue Bonds. The note requires annual principal payments due on December 1st and semi-annual interest payments due on June 1st and December 1st of each year. The payments range from \$1,257,658 to \$1,262,157 annually and are payable through December 2029. The loan bears interest at a rate of 3.130% per annum.

The annual requirements to amortize all outstanding business-type activities long-term debt for the year ended December 31, 2022 are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest and Servicing Fees</u>	<u>Total</u>
2023	1,010,000	247,372	1,257,372
2024	1,045,000	215,910	1,260,910
2025	1,080,000	182,157	1,262,157
2026	1,110,000	130,319	1,240,319
2027	1,147,000	112,690	1,259,690
2028-2029	2,402,000	132,781	2,534,781
Total	<u>\$ 7,794,000</u>	<u>\$ 1,021,229</u>	<u>\$ 8,815,229</u>

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8. Pension Plans

The following table presents combined information relating to the City's defined benefit pension plans as of and for the year ended December 31, 2022:

	Volunteer		Local Government	
	Firefighters' Pension Plan	Police Old Hire Pension Fund	Division Trust Fund	Total
Deferred outflows of resources:				
Differences between expected and actual experience	\$ 591	\$ -	\$ 42,744	\$ 43,335
Changes of assumptions or other inputs	1,269	-	296,487	297,756
Net difference between projected and actual earnings on pension plan investments	18,027	17,771	-	35,798
City contributions subsequent to the measurement date	274,146	141,059	981,540	1,396,745
Total deferred outflows of resources relating to pensions	<u>\$ 294,033</u>	<u>\$ 158,830</u>	<u>\$ 1,320,771</u>	<u>\$ 1,773,634</u>
Deferred inflows of resources:				
Differences between expected and actual experience	31,739	-	14,609	46,348
Net differences between projected and actual earnings on pension plan investments	155,144	12,791	7,565,883	7,733,818
Changes in proportionate share	-	-	-	-
Total deferred inflows of resources relating to pensions	<u>\$ 186,883</u>	<u>\$ 12,791</u>	<u>\$ 7,580,492</u>	<u>\$ 7,780,166</u>
Net pension liability (asset) as of December 31, 2022	<u>\$ 1,204,885</u>	<u>\$ 816,657</u>	<u>\$ (874,648)</u>	<u>\$ 1,146,894</u>
Total pension expense (income) for the year ended December 31, 2022	<u>\$ (37,002)</u>	<u>\$ 97,876</u>	<u>\$ (2,147,615)</u>	<u>\$ (2,086,741)</u>

Total deferred outflows of resources, deferred inflows of resources, pension liability and pension expense are reported in the financial statements as follows:

Primary Government	Governmental Activities	Enterprise Activities	Total
Deferred outflows of resources	\$ 1,198,505	\$ 575,129	\$ 1,773,634
Deferred inflows of resources	4,479,247	3,300,919	7,780,166
Net pension liability (asset)	1,527,759	(380,865)	1,146,894
Net pension income	(1,151,563)	(935,177)	(2,086,741)

Fort Morgan Volunteer Fire Department Pension Plan

Plan Description. The City has established the Volunteer Firefighters' Pension Plan (the "Plan"), an agent multiple-employer defined benefit pension plan administered by the FPPA. As of December 31, 2021, the Plan has 39 retirees and beneficiaries, 5 inactive, nonretired members, and 28 active current members. FPPA issues an annual, publicly available annual comprehensive financial report that includes the assets of the Volunteer Plan. The report may be obtained on FPPA's website at <http://www.fppaco.org>.

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Benefits Provided. The plan provides for a monthly pension of \$450 for volunteers who have satisfied the normal age and service requirements and pro rata pensions for volunteers who have satisfied the normal age, but only a portion of the service requirement. It further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. The normal age and service requirement is the latest date a volunteer reaches 50 years of age or completes 20 years of service. Pro rata pensions would apply to volunteers who reached 50 years of age and had between 10 and 20 years of service. The plan also provides a funeral benefit, lump sum one-time only payment of \$900.

Funding Policy. The Plan receives contributions from the City's general fund in the amount that agrees to the actuarial study. Contributions are established and may be amended by the City's Pension Board. An actuary is used to determine the adequacy of contributions. The actuarial study as of January 1, 2021, indicated that the current levels of contributions to the fund are not adequate to support on an actuarially sound basis the prospective benefits for the present Plan. Contributions to the Plan from the City were \$197,554 and from the State were \$76,592, a total of \$274,146 for the year ended December 31, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2022, the City reported a net pension liability of \$1,204,885. The net pension liability was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2022 and may be used for December 31, 2022 reporting purposes.

For the year ended December 31, 2022, the City recognized pension income of \$37,002. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 591	\$ 31,739
Net difference between projected and actual earnings on pension plan investments	18,027	155,144
Changes of assumptions or other inputs	1,269	-
City Contributions subsequent to the measurement date	<u>274,146</u>	<u>-</u>
	<u>\$ 294,033</u>	<u>\$ 186,883</u>

The \$274,146 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended December 31,	Amortization
2023	\$ (47,343)
2024	(64,160)
2025	(33,890)
2026	(21,603)
	\$ (166,996)

Actuarial Assumptions: The total pension liability as of the December 31, 2020 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year smoothed fair value
Investment rate of return	7.0%
Retirement Age	50% per year of 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 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.</p>

Discount Rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax- exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.84% (based on the weekly rate closest to but not later than the measurement date of the "state ft local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%. Projected cash flows used in determining the Single Discount Rate are available upon request.

Long-Term Expected Return on Plan Assets. 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

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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	2.0%	2.32%
Fixed Income	10.0%	4.00%
Fixed Income - Credit	5.0%	5.25%
Absolute Return	10.0%	5.60%
Long Short	8.0%	6.87%
Global Equity	39.0%	8.23%
Private Markets	26.0%	10.63%
Total	100%	

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1.00 % Decrease	Current Discount Rate	1.00% Increase
Net pension liability / (asset)	\$1,524,576	\$1,204,885	\$940,869

Change in Net Pension (Asset) Liability

	Total Pension (Asset) Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Balances at December 31, 2020	\$ 2,766,281	\$ 1,196,192	\$ 1,570,089
Changes for the year			-
Service cost	7,266	-	7,266
Interest	187,441	-	187,441
Difference between expected and actual experience of Total Pension Liability	-	-	-
Benefit payments	(187,428)	(187,428)	-
Contributions - employer	-	238,790	(238,790)
Net investment income	-	197,764	(197,764)
Pension Plan Administrative Expense	-	(15,456)	15,456
State of Colorado supplemental discretionary payment	-	138,813	(138,813)
Balances at December 31, 2021	<u>\$ 2,773,560</u>	<u>\$ 1,568,675</u>	<u>\$ 1,204,885</u>

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FPPA System Description. The Fire & Police Pension Association administers an agent multiple employer Public Employee Retirement System ("PERS"). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available annual comprehensive financial report that can be obtained at <http://www.fppaco.org>.

City of Fort Morgan Police Department Money Purchase Pension Plan

Plan Description. The money purchase pension plan is a defined contribution plan, with benefits dependent on amounts contributed to the plan and investment earnings. Employees are eligible to participate from the date of employment. All changes to the plan must be approved by the City Council.

Funding Policy. The City and employees each contribute 8% of covered salary, with the rate increased to 10% effective October 1, 2007, to 11.9% effective January 1, 2008 and to 12.8% effective January 1, 2009. The City's contributions vest with the employee at 50% after being with the City 5 years and increase 10% annually thereafter until the employee is 100% vested. Forfeited contributions and related earnings on investments are used to offset the City's current contributions.

During 2022, the City's covered payroll under the plan was \$1,884,953. The City made all required contributions for the plan year. The City has contributed \$241,274, \$276,047, and \$229,201 for the years ended December 31, 2022, 2021, and 2020, respectively.

City of Fort Morgan Police Old Hire Pension Fund

Plan Description. City police officers that did not transfer to the Money Purchase Pension Plan participate in the City of Fort Morgan Police Old Hire Pension Fund, an agent multiple-employer public retirement program administered by the FPPA. As of December 31, 2021, the Plan has 3 retired members. FPPA issues an annual, publicly-available financial report that includes the assets of the Old Hire Plan. That report may be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits Provided. The defined benefit plan provides retirement benefits for members and beneficiaries. Members are eligible to retire upon completion of 25 years of service or the completion of 20 years of service and reaching 55 years of age.

Funding Policy. The plan receives contributions from the City in the amount as required by the actuarial valuation for the plan. Contributions are established and may be amended by the City's Pension Board. An actuary is used to determine the adequacy of contributions. The actuarial study as of January 1, 2020, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Plan. Contributions to the Plan from the City were \$141,059 for the year ended December 31, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2022, the City reported a net pension liability of \$816,657. The net pension liability was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2022. This measurement date is within one year of the plan

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sponsor's fiscal year end of December 31, 2022 and may be used for December 31, 2022 reporting purposes.

For the year ended December 31, 2022, the City recognized pension expense of \$97,876. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 17,771	\$ 12,791
City Contributions subsequent to the measurement date	141,059	-
	\$ 146,039	\$ 12,791

The \$141,059 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Amortization
2023	\$ 3,332
2024	(2,207)
2025	796
2026	3,059
	\$ 4,980

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

Actuarial Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary increases	N/A
Investment rate of return	4.5%
Retirement Age	Any remaining actives are assumed to be retired immediately.
Mortality	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. Disabled (pre-1980): Post retirement rate set forward three years.

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Discount Rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average M credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits). For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 1.84% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 4.50%. Projected cash flows used in determining the Single Discount Rate are available upon request.

Long-Term Expected Return on Plan Assets. 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 table below.

Asset Class	Target Allocation	Long Term Expected Rate of Return
Cash	10.0%	0.1%
Fixed Income - Rates	70.0%	2.3%
Fixed Income - Credit	10.0%	3.5%
Absolute Return	0.0%	5.6%
Long Short	0.0%	6.9%
Global Public Equity	10.0%	7.8%
Private Capital	0.0%	10.5%
Total	100%	

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability calculated using the discount rate of 4.50 percent, as well as the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50 percent) or 1- percentage-point higher (5.50 percent) than the current rate:

	1.00 % Decrease	Current Discount Rate	1.00% Increase
Net pension liability / (asset)	\$920,793	\$816,657	\$726,612

FPPA System Description. The Fire & Police Pension Association administers an agent multiple employer PERS. The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available annual comprehensive financial report that can be obtained at <http://www.fppaco.org>.

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Change in Net Pension (Asset) Liability

	Total Pension (Asset) Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Balances at December 31, 2020	\$ 1,258,062	\$ 368,624	\$ 889,438
Changes for the year			-
Interest	53,677	-	53,677
Benefit changes	62,690	-	62,690
Contributions - employer	-	188,078	(188,078)
Net investment income	-	2,515	(2,515)
Benefit payments	(131,911)	(131,911)	-
Administrative expenses	-	(1,445)	1,445
Net Changes	(15,544)	57,237	(72,781)
Balances at December 31, 2021	\$ 1,242,518	\$ 425,861	\$ 816,657

The City provides pension benefits to all of its full-time police officers through either its "Money Purchase Pension Plan" or through the "Old Hire Plan".

General Employee Pension Plan

Plan Description. Eligible employees of the City are provided with pensions through the Local Government Division Trust Fund - a cost-sharing multiple-employer defined benefit pension plan administered the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided as of December 31, 2022. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51- 602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

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

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent 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.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200 eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007 will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions Provisions as of December 31, 2022: Eligible employees of the City are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 8.5 percent of their PERA-includable salary during the period of January 1, 2022 through June 30, 2022, and 9% during the period July 1, 2022 through December 31, 2022.

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The employer contribution requirements during the period of January 1, 2022 through December 31, 2022 are summarized in the table below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022
Employer Contribution Rate ¹	10.50%	11.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in CRS § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the LGDTF ¹	9.48%	9.48%
Amortization Equalization Disbursement (AED) as specified in CRS § 24-51-411 ¹	2.20%	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS 24-51-411 ¹	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	.02%	.03%
Total Employer Contribution Rate to the LGDTF ¹	13.2%	13.2%

¹ Contribution Rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$981,540 for the year ended December 31, 2022.

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

At December 31, 2022, the City reported an asset of \$874,649 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll forward the total pension liability to December 31, 2021. The City's proportion of the net pension asset was based on City contributions to the LGDTF for the calendar year 2021 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2021, the City's proportion was 1.020153 percent, which was an increase of 0.00324 from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension income of \$2,147,616. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42,744	\$ 14,609
Changes of assumptions or other inputs	296,487	-
Net difference between projected and actual earnings on pension plan investments	-	7,565,883
Changes in proportion and differences between contributions recognized and proportionate share of contributions	139,108	-
City contributions subsequent to the measurement date	<u>981,540</u>	<u>-</u>
Total	<u>\$ 1,459,879</u>	<u>\$ 7,580,492</u>

The \$981,540 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Amortization</u>
2023	\$(1,521,172)
2024	(2,837,401)
2025	(1,825,482)
2026	<u>(918,097)</u>
	<u>\$(7,102,152)</u>

Actuarial Assumptions

The total pension 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 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.20 – 11.30 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Postretirement benefit increases:	
PERA benefit structure hired prior to 1/7/07	1.00%
PERA benefit structure hired after 12/31/06	Financed by the Annual Increase Reserve

The total pension liability as of December 31, 2021, includes the anticipated adjustments to contribution rates and the annual increase cap, resulting from the 2020 automatic provision (AAP) assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

Post retirement non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, Adjusted as follows:

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

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

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

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

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

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

The PERA Board 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 returns at it's Board meeting November 15, 2019.

The actuarial assumptions used in the December 31, 2020 valuations were based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2020, to December 31, 2021.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	
Members other than State Troopers	3.20%-11.30%
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	1.20%
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

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

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

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

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

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	100.00%	

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%.

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

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

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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 percent, at which point the AED and SAED will each drop 0.50 percent 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 used by the plan 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, LGDTF's fiduciary net position 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 percent 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 percent. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability/ (asset) calculated using the discount rate of 7.25 percent, as well as what the City's proportionate share of the net pension liability/ (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1.00 % Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
City's proportionate share of the net pension liability	\$5,997,102	(\$874,649)	(\$6,622,568)

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

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9. Defined Benefit Other Post Employment Benefit Plan

Plan Description. Eligible employees of the City are provided with OPEB through the HCTF - a cost-sharing multiple-employer defined benefit OPEB plan 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 (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

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 annual comprehensive 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 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 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 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who

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are under 65 years of age and entitled to Medicare. The basis for 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 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

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

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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, District, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent 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 City is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City were \$82,198 for the year ended December 31, 2022.

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

At December 31, 2022, the City reported a liability of \$683,817 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

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as of December 31, 2020. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2021. The City's proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the City's proportion was 0.07901 percent, which was an increase of .003938 from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized OPEB income of \$6,656. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,041	\$ 162,140
Net difference between projected and actual earnings on OPEB plan investments	-	42,329
Changes in assumption or other inputs	14,158	37,093
Changes in proportionate share	-	840
District contributions subsequent to the measurement date	82,198	-
Total	\$ 97,397	\$ 242,402

The \$82,198 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	Amortization
2023	\$ (66,090)
2024	(70,283)
2025	(66,346)
2026	(26,633)
2027	1,580
Thereafter	570
	\$ (227,203)

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Actuarial Assumptions: The total OPEB liability in the December 31, 2020 measurement date was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30 percent
Real wage growth	0.70 percent
Wage inflation	3.00 percent
Salary increases, including wage inflation	3.20 – 10.30 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	0.0 percent
Service-based premium subsidy	4.50% in 2021, gradually decreasing to 4.50% in 2029
PERACare Medicare plans	3.75 percent in 2021, gradually increasing to 4.50 percent in 2029
Medicare Part A premiums	

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

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

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

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

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

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

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

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

The mortality tables described above are generational mortality tables on a head-count weighted basis.

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary. The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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

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	100.00%	

City of Fort Mogran
Notes to Financial Statements
December, 31, 2022

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 percent.

Sensitivity of the City'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%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$664,179	\$683,817	\$705,565

Discount rate. The discount rate used to measure the total OPEB liability was 7.25 percent. 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, 2020, 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 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

City of Fort Mogran
Notes to Financial Statements
December, 31, 2022

Based on the above assumptions and methods, the HCTF's FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent 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 percent.

Sensitivity of the City'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 percent, 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 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$794,182	\$683,817	\$589,546

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

The total OPEB deferred outflows of resources, OPEB deferred inflows of resources, OPEB liability and OPEB expense are reported in the financial statements as follows at December 31, 2022:

<u>Primary Government</u>	<u>Governmental</u>	<u>Enterprise</u>	<u>Total</u>
Deferred outflows of resources	\$ 54,986	\$ 42,411	\$ 97,397
Deferred inflows of resources	136,848	105,553	242,402
Net OPEB liability	386,049	297,768	683,817
Net OPEB income	(3,758)	(2,898)	(6,656)

City of Fort Mogran
Notes to Financial Statements
December, 31, 2022

10. 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 these risks of loss, the City carries commercial insurance. The City consolidates all of its risk management activities into the Self Insurance Fund. Premiums are paid into the Risk Related Insurance Fund and are available to pay commercial insurance premiums, claims, and administrative costs of insurance related activities. The amounts of settlements have not exceeded insurance coverage the past three years, nor were there any significant changes in insurance coverage.

11. Contingencies

Grants and Contributions

The City participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2022, grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

Litigation

At times, the City may be subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of business. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the City.

City of Fort Morgan

Required Supplementary Information

City of Fort Morgan
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2022

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Taxes				
Property taxes	\$ 1,900,000	\$ 1,900,000	\$ 2,160,913	\$ 260,913
Specific ownership taxes	170,000	170,000	179,559	9,559
Sales taxes	5,500,000	5,500,000	6,847,829	1,347,829
Use taxes	80,000	80,000	68,965	(11,035)
Franchise taxes	83,500	83,500	85,990	2,490
Total taxes	<u>7,733,500</u>	<u>7,733,500</u>	<u>9,343,256</u>	<u>1,609,756</u>
Licenses and Permits				
Building permits	35,000	35,000	35,583	583
Liquor licenses	5,000	5,000	5,178	178
Other licenses and permits	13,725	13,725	18,908	5,183
Total licenses and permits	<u>53,725</u>	<u>53,725</u>	<u>59,669</u>	<u>5,944</u>
Intergovernmental				
Road and bridge	400,000	400,000	611,364	211,364
Motor vehicle fees	40,000	40,000	45,570	5,570
Severance and mineral taxes	50,000	50,000	193,467	143,467
Cigarette taxes	24,000	24,000	18,441	(5,559)
In lieu of taxes	3,655,000	3,655,000	4,130,884	475,884
Federal grants	7,340	7,340	46,481	39,141
State grants	705,000	705,000	5,826	(699,174)
Other intergovernmental revenues	196,863	196,863	306,448	109,585
Total intergovernmental	<u>5,078,203</u>	<u>5,078,203</u>	<u>5,358,481</u>	<u>280,278</u>
Charges for Services				
Recreation fees	761,100	761,100	946,493	185,393
Cemetery fees	86,000	86,000	116,855	30,855
Other charges for services	25,500	25,500	35,325	9,825
Total charges for services	<u>872,600</u>	<u>872,600</u>	<u>1,098,673</u>	<u>226,073</u>
Fines and forfeitures				
Traffic fines	50,000	50,000	37,711	(12,289)
Parking fines	6,500	6,500	3,091	(3,409)
Other fines and forfeitures	91,000	91,000	67,189	(23,811)
Total fines and forfeitures	<u>147,500</u>	<u>147,500</u>	<u>107,991</u>	<u>(39,509)</u>
Miscellaneous revenues				
Rents	12,000	12,000	13,146	1,146
Airport fees	12,000	12,000	21,554	9,554
Donations	6,500	6,500	30,229	23,729
Other revenues	25,000	25,000	521,442	496,442
Total miscellaneous revenues	<u>55,500</u>	<u>55,500</u>	<u>586,371</u>	<u>530,871</u>
Earnings on investments	200,000	200,000	(489,035)	(689,035)
TOTAL REVENUES	<u>14,141,028</u>	<u>14,141,028</u>	<u>16,065,406</u>	<u>1,924,378</u>

City of Fort Morgan
General Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balances—Budget and Actual
For the Year Ended December 31, 2022

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
EXPENDITURES				
General Government				
Mayor and council	68,714	68,714	67,948	766
City manager	172,763	172,763	250,847	(78,084)
Finance	164,955	164,955	119,300	45,655
City clerk	75,225	75,225	69,297	5,928
City attorney	70,445	70,445	50,893	19,552
Human resources	164,050	164,050	164,936	(886)
Other general government	591,296	591,296	552,055	39,241
Total general government	<u>1,307,448</u>	<u>1,307,448</u>	<u>1,275,276</u>	<u>32,172</u>
Public Safety				
Police	4,848,616	4,848,616	4,486,336	362,280
Fire	897,324	897,324	959,958	(62,634)
Building inspections	584,133	584,133	431,065	153,068
Municipal court	206,314	206,314	185,843	20,471
Total public safety	<u>6,536,387</u>	<u>6,536,387</u>	<u>6,063,202</u>	<u>473,185</u>
Community development and public works				
Airport	100,599	100,599	97,921	2,678
Economic Dev. & Marketing	757,327	757,327	55,764	701,563
Streets	1,873,060	1,873,060	1,646,461	226,599
Total community development and public works	<u>2,730,986</u>	<u>2,730,986</u>	<u>1,800,146</u>	<u>930,840</u>
Parks and recreation				
Recreation/senior center	1,312,490	1,312,490	1,244,028	68,462
Parks/cemetery	1,927,404	1,927,404	1,746,631	180,773
Library/museum	777,564	777,564	742,191	35,373
Community services	166,862	166,862	161,561	5,301
Golf	1,325,005	1,325,005	1,301,178	23,827
Total parks and recreation	<u>5,509,325</u>	<u>5,509,325</u>	<u>5,195,589</u>	<u>313,736</u>
TOTAL EXPENDITURES	16,084,146	16,084,146	14,334,213	1,749,933
Excess (deficiency) of revenues over expenditures	(1,943,118)	(1,943,118)	1,731,193	3,674,311
NET CHANGE IN FUND BALANCE	<u>\$ (1,943,118)</u>	<u>\$ (1,943,118)</u>	<u>\$ 1,731,193</u>	<u>\$ 3,674,311</u>
FUND BALANCES, BEGINNING OF YEAR			<u>29,561,181</u>	
FUND BALANCES, END OF YEAR			<u>\$ 31,292,374</u>	

City of Fort Morgan
Capital Improvement Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Taxes				
Sales taxes	\$ 2,750,000	\$ 2,750,000	\$ 3,372,812	\$ 622,812
Use taxes	52,250	52,250	43,031	(9,219)
Street sales taxes	2,750,000	2,750,000	3,450,701	700,701
Total taxes	<u>5,552,250</u>	<u>5,552,250</u>	<u>6,866,544</u>	<u>1,314,294</u>
Intergovernmental				
Highway users taxes	400,000	400,000	373,278	(26,722)
Federal grants	-	-	22,500	22,500
Total intergovernmental	<u>400,000</u>	<u>400,000</u>	<u>395,778</u>	<u>(4,222)</u>
Miscellaneous revenues	-	-	1,872	1,872
Earnings on investments	44,000	44,000	(35,609)	(79,609)
Total miscellaneous revenues	<u>44,000</u>	<u>44,000</u>	<u>(33,737)</u>	<u>(77,737)</u>
TOTAL REVENUES	<u>5,996,250</u>	<u>5,996,250</u>	<u>7,228,585</u>	<u>1,232,335</u>
EXPENDITURES				
Current:				
Debt service	733,000	731,270	731,270	-
Capital outlay	10,370,000	10,835,425	10,835,425	-
TOTAL EXPENDITURES	<u>11,103,000</u>	<u>11,566,695</u>	<u>11,566,695</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,106,750)</u>	<u>\$ (5,570,445)</u>	(4,338,110)	<u>\$ 1,232,335</u>
FUND BALANCE, BEGINNING OF YEAR			<u>5,304,131</u>	
FUND BALANCE, END OF YEAR			<u>\$ 966,021</u>	

City of Fort Morgan
Retirement Plan Supplementary Information
For the Year Ended December 31, 2022

Schedule of Proportionate Share of the Net Pension

Colorado PERA - Pension

<u>Year Ending*</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Covered Payroll</u>	<u>Net Pension Liability (Asset) as a Percentage of Member Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)</u>
12/31/2014	1.0487%	\$ 8,630,139	\$ 5,592,808	154.31%	77.66%
12/31/2015	1.0248%	\$ 9,185,308	\$ 5,614,826	163.59%	80.72%
12/31/2016	1.0308%	\$ 11,355,343	\$ 5,608,494	202.47%	76.90%
12/31/2017	1.0630%	\$ 14,353,748	\$ 6,463,667	222.07%	73.65%
12/31/2018	1.0302%	\$ 11,470,591	\$ 6,494,440	176.62%	79.40%
12/31/2019	1.0414%	\$ 13,092,645	\$ 7,075,603	185.04%	75.96%
12/31/2020	1.1000%	\$ 7,384,762	\$ 6,689,330	110.40%	86.26%
12/31/2021	0.9877%	\$ 5,147,273	\$ 6,934,657	74.23%	90.88%
12/31/2022	1.0202%	\$ (874,649)	\$ 7,561,136	-11.57%	101.49%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in this schedule is based as of the measurement date of the Authority's net pension liability, which is as of the beginning of the year.

Schedule of Employer Contributions

<u>Year Ending</u>	<u>Statutorily Required Contributions</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2013	709,168	709,168	-	5,592,808	12.68%
12/31/2014	711,960	711,960	-	5,614,826	12.68%
12/31/2015	711,157	711,157	-	5,608,494	12.68%
12/31/2016	819,593	819,593	-	6,463,667	12.68%
12/31/2017	823,495	823,495	-	6,494,440	12.68%
12/31/2018	897,187	897,187	-	7,075,603	12.68%
12/31/2019	848,207	848,207	-	6,689,330	12.68%
12/31/2020	902,827	902,827	-	6,934,657	13.02%
12/31/2021	1,004,479	1,004,479	-	7,561,136	13.28%
12/31/2022	981,540	981,540	-	8,058,627	12.18%

City of Fort Morgan
Retirement Plan Supplementary Information
For the Year Ended December 31, 2022

Schedule of Proportionate Share of the OPEB Liability and Related Ratios

Colorado PERA - OPEB

Year Ending*	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	OPEB Liability as a Percentage of Member Payroll	Fiduciary Net Position as a Percentage of Total OPEB Liability
12/31/2017	0.0815%	\$ 1,058,784	\$ 6,463,667	16.38%	16.72%
12/31/2018	0.0800%	\$ 1,040,248	\$ 6,494,440	16.02%	17.53%
12/31/2019	0.8080%	\$ 1,098,715	\$ 7,075,603	15.53%	17.03%
12/31/2020	0.0773%	\$ 869,314	\$ 6,689,330	13.00%	24.49%
12/31/2021	0.0754%	\$ 716,113	\$ 6,934,657	10.33%	32.78%
12/31/2022	0.0793%	\$ 683,817	\$ 7,561,136	9.04%	39.40%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in this schedule is based as of the measurement date of the Authority's net pension liability, which is as of the beginning of the year.

Schedule of Employer Contributions

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
12/31/2013	\$57,047	\$57,047	-	\$5,592,808	1.02%
12/31/2014	57,271	57,271	-	5,614,826	1.02%
12/31/2015	57,207	57,207	-	5,608,494	1.02%
12/31/2016	65,929	65,929	-	6,463,667	1.02%
12/31/2017	66,243	66,243	-	6,494,440	1.02%
12/31/2018	72,171	72,171	-	7,075,603	1.02%
12/31/2019	68,231	68,231	-	6,689,330	1.02%
12/31/2020	69,870	69,870	-	6,934,657	1.01%
12/31/2021	77,124	77,124	-	7,561,136	1.02%
12/31/2022	82,198	82,198	-	8,058,627	1.02%

City of Fort Morgan
Required Supplementary Information
Firefighter Pension Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years

Measurement period 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>
Total pension liability								
Service cost	\$ 7,266	\$ 6,399	\$ 6,399	\$ 7,129	\$ 7,129	\$ 6,762	\$ 6,762	\$ 8,248
Interest	187,441	191,672	191,675	181,602	182,349	172,780	173,568	172,901
Changes of benefit terms	-	-	-	148,361	-	-	-	-
Difference between expected and actual expenditures	-	(66,549)	-	57,999	-	74,419	-	15,981
Assumption changes	-	-	-	124,629	-	66,544	-	-
Benefit payments	(187,428)	(197,190)	(199,026)	(205,650)	(193,437)	(192,785)	(188,933)	(186,150)
Net change in total pension liability	<u>7,279</u>	<u>(65,668)</u>	<u>(952)</u>	<u>314,070</u>	<u>(3,959)</u>	<u>127,720</u>	<u>(8,603)</u>	<u>10,980</u>
Total pension liability - Beginning	2,766,281	2,831,949	2,832,901	2,518,831	2,522,790	2,395,070	2,403,673	2,392,693
Total pension liability - Ending (a)	2,773,560	2,766,281	2,831,949	2,832,901	2,518,831	2,522,790	2,395,070	2,403,673
Plan fiduciary net position								
Employer contributions	238,790	-	72,481	88,404	91,820	76,585	150,177	-
Net investment income	197,764	140,593	157,913	1,530	157,663	56,550	21,490	74,859
Benefit payments	(187,428)	(197,190)	(199,026)	(205,650)	(193,437)	(192,785)	(188,933)	(186,150)
Administrative expense	(15,456)	(12,549)	(15,555)	(15,272)	(16,206)	(1,983)	(4,331)	(2,096)
State of Colorado supplemental discretionary payment	138,813	61,863	-	61,863	58,447	58,447	51,759	52,299
Net change in plan fiduciary net position	<u>372,483</u>	<u>(7,283)</u>	<u>15,813</u>	<u>(69,125)</u>	<u>98,287</u>	<u>(3,186)</u>	<u>30,162</u>	<u>(61,088)</u>
Plan fiduciary net position - beginning	1,196,192	1,203,475	1,187,662	1,256,787	1,158,500	1,161,686	1,131,524	1,192,612
Plan fiduciary net position - end (b)	1,568,675	1,196,192	1,203,475	1,187,662	1,256,787	1,158,500	1,161,686	1,131,524
District's net pension liability - ending (a)-(b)	1,204,885	1,570,089	1,628,474	1,645,239	1,262,044	1,364,290	1,233,384	1,272,149
Plan fiduciary net position as a percentage of the total pension liability	56.56%	43.24%	42.50%	41.92%	49.90%	45.92%	48.50%	47.07%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension liability.

City of Fort Morgan
Required Supplementary Information
Old Hire Pension Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years

Measurement period 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>
Total pension liability								
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	53,677	56,807	89,485	93,991	88,821	93,409	85,215	87,774
Changes of benefit terms	-	74,332	-	51,210	24,541	25,867	20,635	26,685
Difference between expected and actual expenditures	62,690	-	(195,554)	-	63,611	-	61,360	-
Assumption changes	-	-	236,444	-	-	-	67,767	-
Benefit payments	<u>(131,911)</u>	<u>(120,919)</u>	<u>(148,641)</u>	<u>(159,315)</u>	<u>(159,194)</u>	<u>(150,126)</u>	<u>(153,012)</u>	<u>(144,297)</u>
Net change in total pension liability	(15,544)	10,220	(18,266)	(14,114)	17,779	(30,850)	81,965	(29,838)
Total pension liability - Beginning	1,258,062	1,247,842	1,266,108	1,280,222	1,262,443	1,293,293	1,211,328	1,241,166
Total pension liability - Ending (a)	1,242,518	1,258,062	1,247,842	1,266,108	1,280,222	1,262,443	1,293,293	1,211,328
Plan fiduciary net position								
Employer contributions	188,078	113,746	113,746	102,792	99,660	88,699	88,680	81,155
Employee contributions	-	-	-	-	-	-	-	-
Net investment income	2,515	26,933	39,889	791	56,184	22,220	9,099	35,113
Benefit payments	(131,911)	(120,919)	(148,641)	(159,315)	(159,194)	(150,126)	(153,012)	(144,297)
Administrative expense	<u>(1,445)</u>	<u>(4,023)</u>	<u>(1,585)</u>	<u>(4,701)</u>	<u>(1,715)</u>	<u>(3,848)</u>	<u>(1,054)</u>	<u>(5,135)</u>
Net change in plan fiduciary net position	57,237	15,737	3,409	(60,433)	(5,065)	(43,055)	(56,287)	(33,164)
Plan fiduciary net position - beginning	368,624	352,887	349,478	409,911	414,976	458,031	514,318	547,482
Plan fiduciary net position - end (b)	425,861	368,624	352,887	349,478	409,911	414,976	458,031	514,318
District's net pension liability - ending (a)-(b)	816,657	889,438	894,955	916,630	870,311	847,467	835,262	697,010
Plan fiduciary net position as a percentage of the total pension liability	34.27%	29.30%	28.28%	27.60%	32.02%	32.87%	35.42%	42.46%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension liability.

City of Fort Morgan
Required Supplementary Information
Volunteer Firefighters' Pension Plan
Schedules of Employer Contributions
As of Measurement Period Ended December 31, 2021

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2013	\$ 108,574	\$ 108,574	\$ -	N/A	N/A
12/31/2014	\$ 125,891	\$ 52,299	\$ (73,592)	N/A	N/A
12/31/2015	\$ 125,891	\$ 201,936	\$ 76,045	N/A	N/A
12/31/2016	\$ 128,344	\$ 135,032	\$ 6,688	N/A	N/A
12/31/2017	\$ 128,344	\$ 150,267	\$ 21,923	N/A	N/A
12/31/2018	\$ 150,267	\$ 150,267	\$ -	N/A	N/A
12/31/2019	\$ 134,344	\$ 72,481	\$ (61,863)	N/A	N/A
12/31/2020	\$ 167,554	\$ 72,481	\$ (95,073)	N/A	N/A
12/31/2021	\$ 209,691	\$ 313,148	\$ 103,457	N/A	N/A
12/31/2022	\$ 167,554	\$ 274,146	\$ 106,592	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment

City of Fort Morgan
Required Supplementary Information
Old Hire Pension Plan
Schedules of Employer Contributions
As of Measurement Period Ended December 31, 2021

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2013	\$ 79,953	\$ 81,115	\$ 1,162	N/A	N/A
12/31/2014	\$ 81,155	\$ 81,155	\$ -	N/A	N/A
12/31/2015	\$ 88,699	\$ 88,680	\$ (19)	N/A	N/A
12/31/2016	\$ 88,699	\$ 88,699	\$ -	N/A	N/A
12/31/2017	\$ 99,655	\$ 99,660	\$ 5	N/A	N/A
12/31/2018	\$ 102,788	\$ 102,794	\$ 6	N/A	N/A
12/31/2019	\$ 106,878	\$ 108,761	\$ 1,883	N/A	N/A
12/31/2020	\$ 113,746	\$ 113,726	\$ (20)	N/A	N/A
12/31/2021	\$ 113,746	\$ 188,078	\$ 74,332	N/A	N/A
12/31/2022	\$ 113,746	\$ 141,059	\$ 27,313	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment

City of Fort Morgan

Other Supplementary Information

City of Fort Morgan
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	CONSERVATION TRUST FUND	POLICE FORFEITURE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS			
Cash, cash equivalents and Investments	\$ 496,052	\$ -	\$ 496,052
Restricted cash, cash equivalents and Investments	-	43,037	43,037
TOTAL ASSETS	\$ 496,052	\$ 43,037	\$ 539,089
FUND BALANCES			
Restricted for:			
Parks and recreation	496,052	-	496,052
Public safety	-	43,037	43,037
TOTAL FUND BALANCES	496,052	43,037	539,089
TOTAL LIABILITIES AND FUND BALANCES	\$ 496,052	\$ 43,037	\$ 539,089

City of Fort Morgan
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
And Changes in Fund Balance
For the Year Ended December 31, 2022

	<u>CONSERVATION TRUST FUND</u>	<u>POLICE FORFEITURE FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
REVENUES			
Intergovernmental	\$ 147,733	\$ -	\$ 147,733
Other State Grants	250,000	-	250,000
TOTAL REVENUES	<u>397,733</u>	<u>-</u>	<u>397,733</u>
EXPENDITURES			
Current:			
Capital Outlay	5,778	-	5,778
TOTAL EXPENDITURES	<u>5,778</u>	<u>-</u>	<u>5,778</u>
NET CHANGE IN FUND BALANCE	<u>391,955</u>	<u>-</u>	<u>391,955</u>
FUND BALANCE, BEGINNING OF YEAR	<u>104,097</u>	<u>43,037</u>	<u>147,134</u>
FUND BALANCE, END OF YEAR	<u>\$ 496,052</u>	<u>\$ 43,037</u>	<u>\$ 539,089</u>

City of Fort Morgan
Conservation Trust Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2022

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES				
State grants	\$ 675,000	\$ 675,000	\$ 250,000	\$ (425,000)
Other governmental revenues	105,000	105,000	147,733	42,733
TOTAL REVENUES	<u>780,000</u>	<u>780,000</u>	<u>397,733</u>	<u>(382,267)</u>
EXPENDITURES				
Capital outlay	1,055,000	1,055,000	5,778	1,049,222
TOTAL EXPENDITURES	<u>1,055,000</u>	<u>1,055,000</u>	<u>5,778</u>	<u>1,049,222</u>
NET CHANGE IN FUND BALANCE	<u>\$ (275,000)</u>	<u>\$ (275,000)</u>	<u>\$ 391,955</u>	<u>\$ 666,955</u>
FUND BALANCE, BEGINNING OF YEAR			<u>104,097</u>	
FUND BALANCE, END OF YEAR			<u>\$ 496,052</u>	

City of Fort Morgan
Police Forfeiture Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2022

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Earnings on investments	\$ 20	\$ 20	\$ -	\$ (20)
TOTAL REVENUES	<u>20</u>	<u>20</u>	<u>-</u>	<u>(20)</u>
EXPENDITURES				
Current:				
Public Safety	13,000	13,000	-	\$ 13,000
TOTAL EXPENDITURES	<u>13,000</u>	<u>13,000</u>	<u>-</u>	<u>13,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (12,980)</u>	<u>\$ (12,980)</u>	-	<u>\$ 12,980</u>
FUND BALANCE, BEGINNING OF YEAR			<u>43,037</u>	
FUND BALANCE, END OF YEAR			<u>\$43,037</u>	

City of Fort Morgan
Electric Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual (Non-GAAP Basis)
For th Year Ended December 31, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Charges for services	\$ 17,579,924	\$ 17,579,924	\$ 22,426,363	\$ 4,846,439
EXPENDITURES				
Transmission, distribution and collection	3,485,281	3,808,482	3,808,482	-
Commodities	13,500,000	15,514,815	15,514,815	-
General administration	467,460	387,936	387,936	-
In lieu of fees	2,800,000	3,144,638	3,144,638	-
Capital outlay	3,416,000	1,591,456	1,591,456	-
TOTAL EXPENDITURES	<u>23,668,741</u>	<u>24,447,327</u>	<u>24,447,327</u>	<u>-</u>
EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER EXPENDITURES	<u>(6,088,817)</u>	<u>(6,867,403)</u>	<u>(2,020,964)</u>	<u>4,846,439</u>
OTHER REVENUES				
Earnings on investments	152,000	152,000	(308,129)	(460,129)
Rents	28,000	28,000	43,356	15,356
Other revenues	248,880	248,880	301,241	52,361
Sale of capital assets	-	-	10,841	10,841
TOTAL OTHER REVENUES	<u>428,880</u>	<u>428,880</u>	<u>47,309</u>	<u>(381,571)</u>
CHANGE IN FUND BALANCE, BUDGETARY BASIS	<u>\$ (5,659,937)</u>	<u>\$ (6,438,523)</u>	<u>\$ (1,973,655)</u>	<u>\$ 4,464,868</u>
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS				
Capital outlay			1,591,456	
Depreciation			(821,404)	
CHANGE IN NET POSITION - GAAP BASIS			(1,203,603)	
NET POSITION, BEGINNING OF YEAR			<u>20,032,362</u>	
NET POSITION, END OF YEAR			<u>\$ 18,828,759</u>	

City of Fort Morgan
Water Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual (Non-GAAP Basis)
For the Year Ended December 31, 2022

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Charges for services	\$ 10,853,989	\$ 10,853,989	\$ 10,655,295	\$ (198,694)
EXPENDITURES				
Transmission, distribution and collection	1,705,216	1,705,216	1,934,119	(228,903)
Treatment	5,647,632	5,647,632	4,880,394	767,238
General administration	590,328	590,328	526,301	64,027
Debt service				
Interest	308,617	308,617	275,885	32,732
Capital outlay	1,500,000	1,500,000	1,227,010	272,990
TOTAL EXPENDITURES	<u>9,751,793</u>	<u>9,751,793</u>	<u>8,843,709</u>	<u>908,084</u>
EXCESS OF OPERATING REVENUES				
OVER EXPENDITURES	<u>1,102,196</u>	<u>1,102,196</u>	<u>1,811,586</u>	<u>709,390</u>
OTHER REVENUES				
Earnings on investments	58,750	58,750	(311,484)	(370,234)
Other revenues	236,000	236,000	435,657	199,657
TOTAL OTHER REVENUES	<u>294,750</u>	<u>294,750</u>	<u>124,173</u>	<u>(170,577)</u>
CHANGE IN NET POSITION				
BEFORE CONTRIBUTIONS	1,396,946	1,396,946	1,935,759	538,813
Capital Contributions	<u>50,000</u>	<u>50,000</u>	<u>511,728</u>	<u>461,728</u>
CHANGE IN FUND BALANCE, BUDGETARY BASIS	<u>\$ 1,446,946</u>	<u>\$ 1,446,946</u>	2,447,487	<u>\$ 1,000,541</u>
ADJUSTMENTS FROM BUDGETARY BASIS				
TO GAAP BASIS				
Loss on asset disposal			(2,849)	
Capital outlay			1,227,010	
Depreciation			<u>(1,410,789)</u>	
CHANGE IN NET POSITION - GAAP BASIS			2,260,859	
NET POSITION, BEGINNING OF YEAR			<u>49,270,837</u>	
NET POSITION, END OF YEAR			<u>\$ 51,531,696</u>	

City of Fort Morgan
Gas Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual (Non-GAAP Basis)
For the Year Ended December 31, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE
				(NEGATIVE)
REVENUES				
Charges for services	\$ 4,006,500	\$ 4,006,500	\$ 6,500,906	\$ 2,494,406
EXPENDITURES				
Transmission, distribution and collection	961,531	682,194	682,194	-
Commodities	2,300,000	3,716,757	3,716,757	-
General administration	554,040	488,644	488,644	-
In lieu of fees	700,000	796,086	796,086	-
TOTAL EXPENDITURES	4,515,571	5,683,681	5,683,681	-
EXCESS (DEFICIENCY) OF OPERATING REVENUES				
OVER EXPENDITURES	(509,071)	(1,677,181)	817,225	2,494,406
OTHER REVENUES (Expenditures)				
Earnings on investments	55,000	55,000	(132,949)	(187,949)
Other revenues	-	-	78,699	78,699
TOTAL OTHER REVENUES	55,000	55,000	(54,250)	(109,250)
CHANGE IN FUND BALANCE, BUDGETARY BASIS	\$ (454,071)	\$ (1,622,181)	\$ 762,975	\$ 2,385,156
ADJUSTMENTS FROM BUDGETARY BASIS				
TO GAAP BASIS				
Depreciation			(121,169)	
CHANGE IN NET POSITION - GAAP BASIS			641,806	
NET POSITION, BEGINNING OF YEAR			7,849,659	
NET POSITION, END OF YEAR			\$ 8,491,465	

City of Fort Morgan
Waste Water Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual (Non-GAAP Basis)
For the Year Ended December 31, 2022

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Charges for services	\$ 2,678,909	\$ 2,678,909	\$ 2,711,014	\$ 32,105
EXPENDITURES				
Transmission, distribution and collection	565,837	565,837	351,794	214,043
Treatment	980,335	980,335	997,118	(16,783)
Administrative support allocation	437,968	437,968	384,702	53,266
In lieu of fees	95,000	95,000	127,205	(32,205)
Capital outlay	<u>1,660,000</u>	<u>1,660,000</u>	<u>1,720,021</u>	<u>(60,021)</u>
TOTAL EXPENDITURES	<u>3,739,140</u>	<u>3,739,140</u>	<u>3,580,840</u>	<u>158,300</u>
DEFICIENCY OF OPERATING REVENUES				
UNDER EXPENDITURES	<u>(1,060,231)</u>	<u>(1,060,231)</u>	<u>(869,826)</u>	<u>190,405</u>
OTHER REVENUES (Expenditures)				
Earnings on investments	56,000	56,000	(111,709)	(167,709)
Other revenues	87,000	87,000	123,996	36,996
Interest expense	-	-	(15,067)	(15,067)
Sale of capital assets	<u>-</u>	<u>-</u>	<u>1,260</u>	<u>1,260</u>
TOTAL OTHER REVENUES	<u>143,000</u>	<u>143,000</u>	<u>(1,520)</u>	<u>(144,520)</u>
CHANGE IN FUND BALANCE, BUDGETARY BASIS	<u>\$ (917,231)</u>	<u>\$ (917,231)</u>	<u>\$ (871,346)</u>	<u>\$ 45,885</u>
ADJUSTMENTS FROM BUDGETARY BASIS				
TO GAAP BASIS				
Capital outlay			1,720,021	
Depreciation			<u>(701,951)</u>	
CHANGE IN NET POSITION - GAAP BASIS			146,724	
NET POSITION, BEGINNING OF YEAR			<u>15,366,757</u>	
NET POSITION, END OF YEAR			<u>\$ 15,513,481</u>	

**City of Fort Morgan
Sanitation Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual (Non-GAAP Basis)
For the Year Ended December 31, 2022**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Charges for services	\$ 1,200,000	\$ 1,200,000	\$ 1,259,559	\$ 59,559
EXPENDITURES				
Transmission, distribution and collection	1,083,879	1,083,879	961,015	122,864
In lieu of fees	62,000	62,000	62,954	(954)
Administrative support allocation	239,900	239,900	211,532	28,368
Capital outlay	470,000	470,000	85,797	384,203
TOTAL EXPENDITURES	<u>1,855,779</u>	<u>1,855,779</u>	<u>1,321,298</u>	<u>534,481</u>
DEFICIENCY OF OPERATING REVENUES UNDER EXPENDITURES	<u>(655,779)</u>	<u>(655,779)</u>	<u>(61,739)</u>	<u>594,040</u>
OTHER REVENUES				
Earnings on investments	20,000	20,000	(43,589)	(63,589)
Other income	-	-	1,191	1,191
TOTAL OTHER REVENUES	<u>20,000</u>	<u>20,000</u>	<u>(42,398)</u>	<u>(62,398)</u>
CHANGE IN FUND BALANCE, BUDGETARY BASIS	<u>\$ (635,779)</u>	<u>\$ (635,779)</u>	<u>\$ (104,137)</u>	<u>\$ 531,642</u>
ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS				
Capital outlay			85,797	
Depreciation			<u>(106,869)</u>	
CHANGE IN NET POSITION - GAAP BASIS			(125,209)	
NET POSITION, BEGINNING OF YEAR			<u>2,488,587</u>	
NET POSITION, END OF YEAR			<u>\$ 2,363,378</u>	

City of Fort Morgan
Self Insurance Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance—Budget and Actual
For the Year Ended December 31, 2022

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
REVENUES				
Charges for Services	\$ 4,899,994	\$ 4,899,994	\$ 5,049,048	\$ 149,054
EXPENDITURES				
Self insurance premiums	745,200	745,200	599,004	146,196
Self insurance claims	4,315,694	4,315,694	3,710,748	604,946
Administrative costs	125,000	125,000	141,841	(16,841)
TOTAL EXPENDITURES	<u>5,185,894</u>	<u>5,185,894</u>	<u>4,451,593</u>	<u>734,301</u>
EXCESS (DEFICIENCY) OF OPERATING REVENUES				
OVER EXPENDITURES	<u>(285,900)</u>	<u>(285,900)</u>	<u>597,455</u>	<u>883,355</u>
OTHER FINANCING SOURCES (USES)				
Earnings on investments	7,000	7,000	7,040	40
Miscellaneous revenues	145,000	145,000	391,704	246,704
TOTAL OTHER FINANCING SOURCES	<u>152,000</u>	<u>152,000</u>	<u>398,744</u>	<u>246,744</u>
CHANGE IN FUND BALANCE, BUDGETARY BASIS	<u>\$ (133,900)</u>	<u>\$ (133,900)</u>	<u>\$ 996,199</u>	<u>\$ 1,130,099</u>
NET POSITION, BEGINNING OF YEAR			<u>6,097,970</u>	
NET POSITION, END OF YEAR			<u>\$ 7,094,169</u>	

**City of Fort Morgan
Cemetery Fund
Schedule of Revenues, Expenditures
And Changes in Fiduciary Net Position—Budget and Actual
For the Year Ended December 31, 2022**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
ADDITIONS				
Charges for services	\$ 12,000	\$ 12,000	\$ 18,960	\$ 6,960
Earnings on investments	2,300	2,300	(4,044)	(6,344)
Transfers In	<u>5,000</u>	<u>5,000</u>	<u>4,770</u>	<u>(230)</u>
TOTAL ADDITIONS	<u>19,300</u>	<u>19,300</u>	<u>19,686</u>	<u>386</u>
DEDUCTIONS				
Miscellaneous	-	-	146	(146)
Transfers out	<u>5,000</u>	<u>5,000</u>	<u>4,770</u>	<u>230</u>
TOTAL DEDUCTIONS	<u>5,000</u>	<u>5,000</u>	<u>4,916</u>	<u>84</u>
CHANGE IN FIDUCIARY NET POSITION- BUDGETARY BASIS	<u>\$ 14,300</u>	<u>\$ 14,300</u>	<u>\$ 14,770</u>	<u>\$ 470</u>
FIDUCIARY NET POSITION, BEGINNING OF YEAR			<u>764,787</u>	
FIDUCIARY NET POSITION, END OF YEAR			<u>\$ 779,557</u>	

**City of Fort Morgan
Riverview Commons GID Fund
Schedule of Revenues, Expenditures
And Changes in Fiduciary Net Position—Budget and Actual
For the Year Ended December 31, 2022**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
ADDITIONS				
Assessments	\$ 30,000	\$ 30,000	\$ 29,003	\$ (997)
TOTAL ADDITIONS	<u>30,000</u>	<u>30,000</u>	<u>29,003</u>	<u>(997)</u>
DEDUCTIONS				
Community development and public works	30,000	30,000	29,003	997
TOTAL DEDUCTIONS	<u>30,000</u>	<u>30,000</u>	<u>29,003</u>	<u>997</u>
CHANGE IN FIDUCIARY NET POSITION- BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FIDUCIARY NET POSITION, BEGINNING OF YEAR			<u>(93,560)</u>	
FIDUCIARY NET POSITION, END OF YEAR			<u>\$ (93,560)</u>	

City of Fort Morgan

Supplemental Section

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/22

This Information From The Records Of: CLEAR CREEK COUNTY, COLORADO	Prepared By: CHRISTINA BOSTRON, GENERAL ACCOUNTING MANAGER
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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)	\$ 5,382,836.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 534,519.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	\$ 6,015,023.00	b. Snow and ice removal	\$ 68,527.00
3. Other local imposts (from page 2)	\$ 4,241,665.00	c. Other	\$ 5,148.00
4. Miscellaneous local receipts (from page 2)	\$ 49,980.00	d. Total (a. through c.)	\$ 73,675.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 1,064,702.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 3,881,692.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 10,937,424.00
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)	\$ 10,306,668.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 630,756.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 10,937,424.00	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)	\$ 10,937,424.00

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ -	\$ 10,937,424.00	\$ 10,937,424.00	\$ -	\$ -

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 Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 37,711.00
1. Sales Taxes	\$ 3,450,702.00	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	\$ 790,963.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 4,241,665.00	h. Other	\$ 12,269.00
c. Total (a. + b.)	\$ 4,241,665.00	i. Total (a. through h.)	\$ 49,980.00
<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.)	\$ 373,278.00	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	\$ 45,570.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Cig Tax, Severance Tax)	\$ 211,908.00	f. Other Federal	
f. Total (a. through e.)	\$ 257,478.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 630,756.00	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		\$ 95,754.00	\$ 95,754.00
c. Construction:			
(1). New Facilities		\$ 1,667,939.00	\$ 1,667,939.00
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 3,619,143.00	\$ 3,619,143.00
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 5,287,082.00	\$ 5,287,082.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 5,382,836.00	\$ 5,382,836.00

(Carry forward to page 1)

Notes and Comments: