

City of Holyoke, Colorado

Financial Statements

For the Year ended December 31, 2022

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Independent Auditors' Report

To the Honorable Mayor and Members of City Council
City of Holyoke
Holyoke, Colorado

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 Holyoke (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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 as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the 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, budgetary comparison information and historical pension information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information and the local highway finance report 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
April 3, 2023

City of Holyoke, Colorado

Management's Discussion and Analysis

December 31, 2022

As management of the City of Holyoke (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 of the City exceeded its liabilities at the close of the 2022 fiscal year by \$22,886,072 (net position). Of this amount, \$13,716,387 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased in the 2022 fiscal year by \$797,661 which was due to an increase in the governmental activities of \$724,920 and an increase in the business-type activities of \$72,741.
- At December 31, 2022, the unassigned fund balance of the General Fund was \$2,759,258 or approximately 97% of the total fiscal year 2022 General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other required supplementary information and supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

Overview of the Financial Statements (continued)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, public safety, streets, airport, culture, and recreation. The business-type activities of the City include electric distribution, water system, sewer system, and sanitation.

The government-wide financial statements can be found on pages 10 through 13 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The City's governmental funds include the General Fund and several Special Revenue Funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with their budget.

The basic governmental fund financial statements can be found on pages 14 through 17.

Proprietary Funds: The City maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric distribution operation, water system, sewer system, and sanitation service.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 18 through 21 of this report.

Overview of the Financial Statements (continued)

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 22 through 50 of this report.

Fire and Police Pension Funds: Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. This information can be found on pages 52 through 58.

Other Information: The City adopts annual appropriated budgets for all its funds in accordance with the Colorado State Statues. The budgetary comparison schedules have been provided for all its funds to demonstrate compliance with the budget law and are found on pages 59 through 85.

Government-wide Financial Analysis

Traditionally, the largest portion of any municipality's investments is in its capital assets. Land, building, equipment, machinery, and specialized tools are necessary in order to deliver and/or provide services to the City's residents and visitors. The City's capital assets account for approximately 39% of its total net position; these assets are not an available source for payment of future spending. Of the remaining \$14,008,833 in net position, \$91,000 or less than 1%, of the net position for governmental activities is restricted for use in the event of an emergency.

At the end of the 2022 fiscal year, the City is able to report positive balances in all categories of net position, first for the government as a whole, and then as separate governmental and business-type activities.

The City's net position increased \$797,661 during the current fiscal year. The increase is primarily due to the excess of revenues over expenditures of the business type activities of \$72,741 even after the transfer to the governmental fund of \$1,150,000.

Governmental Activities: Governmental activities after transfers left the City's net position at a positive \$724,920. Key elements of this increase are as follows:

- An increase in governmental fund's net position occurred after the transfer of \$1,150,000 from business-type activities.
- The governmental activities expenses consistently exceeded available revenues before transfers. The City has traditionally subsidized the governmental activities with its business-type activities.
- The City continues to provide funding of highways and streets, culture and recreation, and airport improvements to enhance these services for the citizens.

Governmental activities revenues increased by \$80,568 from 2021 levels primarily due to the following changes:

- Sales taxes increased by \$40,990 due to an increase in taxable sales within the City's boundaries.
- Property taxes increased \$23,448 due to higher assessed valuations.
- Other taxes decreased by \$14,552.
- Capital grants and contributions increased by \$30,682. The major projects were completed.

Governmental activities expenses increased by \$487,070 from 2021 levels primarily due to the following changes:

- Highways and streets expenses increased by \$176,422. One small equipment purchase and laid concrete on 2 blocks.
- Culture and recreation increased by \$18,278.
- Capital Outlay increased by \$292,370. Major projects at the airport and built a new fire station.

Business-Type Activities: Business-type activities after transfers of \$1,150,000 increased the City's net position by \$72,741. Key elements of this increase are as follows:

- There was less of an increase in net position from 2021 to 2022 because a larger transfer was made to the general fund.

Business-type activities revenues increased by \$399,813 from 2021 levels primarily due to the following:

- Charges for services increased electric by \$188,747, increased refuse by \$33,257, water increased by \$146,636, and sewer increased by \$33,048.

Business-type activities expenses increased by \$293,592 from 2021 levels primarily due to the following changes:

- Operating costs of the electric utility increased by \$224,787.
- Operating costs of the sanitary utility increased by \$35,774.
- Operating costs of the water and wastewater decreased by \$38,944.
- Operating costs of the utility administration increased by \$71,975.

Budget Variances in the General Fund: The City was not required to amend the General Fund budget for the current fiscal year; the General Fund expenditures did not exceed the fund budget.

The General Fund Budget and Actual Schedules can be found on page 59.

Significant Variances in the General Fund

Capital Assets: The City's capital assets increased government-wide by \$795,336. The 2022 depreciation expense was \$497,679. Additional information, as well as a detailed classification of the City's net position can be found in the Notes to the Financial Statements on pages 33-35 of this report.

Long-term Liabilities: As of the end of the current fiscal year, the City's long-term liabilities increased by \$6,522. Additional information as well as a detailed classification of the City's total long-term liabilities can be found in the Notes to the Financial Statements on page 35.

Next Year's Budget and Rates: The City's General Fund balance at the end of the fiscal year 2022 totaled \$2,850,258 a decrease of \$223,356. No rates for the utility services (business-type activities) were increased. The City's 2023 budget anticipates transfers from the Utility Fund to help offset the operating costs of the City's General Fund.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Holyoke, City Clerk/Treasurer, 407 E. Denver St., Holyoke, Colorado 80734.

Basic Financial Statements

The basic financial statements of the City include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

CITY OF HOLYOKE, COLORADO
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 2,735,659	\$ 1,479,583	\$ 4,215,242
Cash with fiscal agent	5,611		5,611
Certificates of deposit	504,784	9,000,000	9,504,784
Receivables	538,187	480,392	1,018,579
Internal balances	331,337	(331,337)	-
Inventory		475,615	475,615
Net pension asset	215,918		215,918
Land	129,481	151,000	280,481
Construction in progress	1,079,117		1,079,117
Capital assets, net of depreciation	6,207,982	1,309,659	7,517,641
Total assets	11,748,076	12,564,912	24,312,988
Deferred outflows of resources			
Pension deferrals	61,324		61,324
Total assets and deferred outflows of resources	\$ 11,809,400	\$ 12,564,912	\$ 24,374,312
Liabilities			
Accounts payable	\$ 89,608	\$ 200,453	\$ 290,061
Unearned revenues	14,552	554,980	569,532
Customer deposits		35,050	35,050
Noncurrent liabilities			
Due in more than one year	51,878	64,756	116,634
Total liabilities	156,038	855,239	1,011,277
Deferred inflows of resources			
Deferred property tax revenues	391,994		391,994
Pension deferrals	84,969		84,969
Total deferred inflows of resources	476,963	-	476,963
Net position			
Net investment in capital assets	7,416,580	1,460,659	8,877,239
Restricted for emergencies	91,000		91,000
Restricted for culture and recreation	140,099		140,099
Restricted for public safety	23		23
Restricted for pensions	61,324		61,324
Unrestricted	3,467,373	10,249,014	13,716,387
Total net position	11,176,399	11,709,673	22,886,072
Total liabilities, deferred inflows of resources and net position	\$ 11,809,400	\$ 12,564,912	\$ 24,374,312

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

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CITY OF HOLYOKE, COLORADO
Statement of Activities
For the Year Ended December 31, 2022

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 278,386	\$ 27,132		
Public safety	436,514	1,602	\$ 27,045	
Public works	955,474	222,852	148,854	\$ 105,621
Health and welfare	48,848	32,650	550	
Culture and recreation	708,826	45,573	47,120	
Total governmental activities	2,428,048	329,809	223,569	105,621
Business-type activities				
Electric	1,735,543	2,862,964		
Water	208,978	473,412		
Sewer	183,304	328,521		
Refuse	267,659	340,576		
Administration	539,637	975		
Total business-type activities	2,935,121	4,006,448	-	-
Total	\$ 5,363,169	\$ 4,336,257	\$ 223,569	\$ 105,621

General revenues and transfers

Taxes

Property taxes, levied for general purposes

Specific ownership taxes

Sales and use taxes

Franchise taxes

Lodging taxes

Unrestricted earnings on investments

Miscellaneous

Gain on sale of assets

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

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

Net (Expenses) Revenues and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (251,254)		\$ (251,254)
(407,867)		(407,867)
(478,147)		(478,147)
(15,648)		(15,648)
(616,133)		(616,133)
(1,769,049)	\$ -	(1,769,049)
	1,127,421	1,127,421
	264,434	264,434
	145,217	145,217
	72,917	72,917
	(538,662)	(538,662)
-	1,071,327	1,071,327
(1,769,049)	1,071,327	(697,722)
402,761		402,761
42,182		42,182
708,348		708,348
19,081		19,081
28,747		28,747
123,984	106,081	230,065
13,572	45,333	58,905
5,294		5,294
1,150,000	(1,150,000)	-
2,493,969	(998,586)	1,495,383
724,920	72,741	797,661
10,451,479	11,636,932	22,088,411
<u>\$ 11,176,399</u>	<u>\$ 11,709,673</u>	<u>\$ 22,886,072</u>

CITY OF HOLYOKE, COLORADO
Balance Sheet
Governmental Funds
For the Year Ended December 31, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash	\$ 2,194,369	\$ 541,290	\$ 2,735,659
Cash with fiscal agent	5,588	23	5,611
Due from other funds	331,337		331,337
Certificates of deposit	279,784	225,000	504,784
Property taxes receivable	381,205	10,789	391,994
Accounts receivable	142,645		142,645
Interest receivable	695	2,853	3,548
	<u>\$ 3,335,623</u>	<u>\$ 779,955</u>	<u>\$ 4,115,578</u>
Liabilities			
Accounts payable	\$ 89,608		\$ 89,608
Unearned revenues	14,552		14,552
	<u>104,160</u>	<u>\$ -</u>	<u>104,160</u>
Deferred inflows of resources			
Deferred property tax revenues	381,205	10,789	391,994
	<u>381,205</u>	<u>10,789</u>	<u>391,994</u>
Fund balance			
Nonspendable permanent fund principal		216,647	216,647
Restricted to:			
Emergencies	91,000		91,000
Culture and recreation		140,099	140,099
Public safety		23	23
Committed to:			
Culture and recreation		142,933	142,933
Health and welfare		269,464	269,464
Unassigned	2,759,258		2,759,258
	<u>2,850,258</u>	<u>769,166</u>	<u>3,619,424</u>
Total fund balance	<u>2,850,258</u>	<u>769,166</u>	<u>3,619,424</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,335,623</u>	<u>\$ 779,955</u>	<u>\$ 4,115,578</u>

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

CITY OF HOLYOKE, COLORADO

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2022**

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

Total fund balance - governmental funds	\$ 3,619,424
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	7,416,580
Net pension assets and deferrals used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	192,273
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(51,878)</u>
Net position of the governmental activities	<u>\$ 11,176,399</u>

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

CITY OF HOLYOKE, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 1,190,034	\$ 11,085	\$ 1,201,119
Licenses and permits	17,906		17,906
Intergovernmental revenues	301,319	30,004	331,323
Charges for services	78,148		78,148
Fines and forfeitures	4,142		4,142
Earnings on investments	7,791	5,781	13,572
Miscellaneous revenues	342,214	9,250	351,464
Total revenues	1,941,554	56,120	1,997,674
Expenditures			
Current			
General government	265,704		265,704
Public safety	1,368,616	11,069	1,379,685
Public works	963,253		963,253
Health and welfare	63,884		63,884
Culture and recreation	672,288		672,288
Total expenditures	3,333,745	11,069	3,344,814
Excess of revenues over (under) expenditures	(1,392,191)	45,051	(1,347,140)
Other financing sources (uses)			
Transfers in	1,168,835		1,168,835
Transfers out		(18,835)	(18,835)
Total other financing sources (uses)	1,168,835	(18,835)	1,150,000
Net change in fund balance	(223,356)	26,216	(197,140)
Fund balance at beginning of year	3,073,614	742,950	3,816,564
Fund balance at end of year	<u>\$ 2,850,258</u>	<u>\$ 769,166</u>	<u>\$ 3,619,424</u>

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

CITY OF HOLYOKE, COLORADO
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022

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

Net change in fund balances - governmental funds	\$ (197,140)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown 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 outlays exceeded depreciation in the current period.	885,344
Proceeds received from the disposal of assets are reported in governmental funds, but the net book value of these assets reduces net position in the statement of activities.	(1,206)
In the statement of activities, certain operating expenses are measured by the amounts incurred or earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	<u>37,922</u>
Change in net position of governmental activities	<u><u>\$ 724,920</u></u>

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

CITY OF HOLYOKE, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2022

	<u>Enterprise Fund</u>
Assets	
Current assets	
Cash	\$ 1,479,583
Certificates of deposit	9,000,000
Receivables	480,392
Inventory	<u>475,615</u>
Total current assets	11,435,590
Noncurrent assets	
Land	151,000
Capital assets, net of depreciation	<u>1,309,659</u>
Total noncurrent assets	<u>1,460,659</u>
Total assets	<u><u>\$ 12,896,249</u></u>
Liabilities	
Current liabilities	
Accounts payable	\$ 200,453
Due to other funds	331,337
Customer deposits	35,050
Deferred grant revenue	<u>554,980</u>
Total current liabilities	1,121,820
Long-term liabilities	
Accrued compensated absences	<u>64,756</u>
Total liabilities	1,186,576
Net position	
Net investment in capital assets	1,460,659
Unrestricted	<u>10,249,014</u>
Total net position	<u>11,709,673</u>
Total liabilities and net position	<u><u>\$ 12,896,249</u></u>

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

CITY OF HOLYOKE, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Enterprise Fund
Operating revenues	
Charges for services	\$ 3,940,413
Total operating revenues	3,940,413
Operating expenses	
Salaries	797,323
Benefits	319,674
Supplies	58,072
Repairs and maintenance	111,057
Farm	8,542
Water pumping	67,566
Membership and dues	4,565
Utilities	1,268,397
Legal and professional	46,065
Testing	3,979
Travel and meetings	120
Landfill	49,478
Insurance	44,372
Bad debts	1,026
Depreciation	154,885
Total operating expenses	2,935,121
Operating income	1,005,292
Nonoperating revenues	
Earnings on investments	106,081
Property rent	66,035
Miscellaneous	45,333
Total nonoperating revenues	217,449
Net income before transfers	1,222,741
Transfers out	(1,150,000)
Change in net position	72,741
Net position at beginning of year	11,636,932
Net position at end of year	\$ 11,709,673

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

CITY OF HOLYOKE, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Enterprise Fund
Cash flows from operating activities	
Receipts from customers	\$ 3,890,179
Receipts from other funds	331,337
Payments to suppliers	(1,967,562)
Payments to employees	(798,466)
	<hr/>
Net cash provided by operating activities	1,455,488
Cash flows from noncapital financing activities	
Transfers to other funds	(1,150,000)
Property rent	66,035
Miscellaneous receipts	322,823
	<hr/>
Net cash used by noncapital financing activities	(761,142)
Cash flows from capital and related financing activities	
Purchase of capital assets	(66,083)
	<hr/>
Net cash used by capital and related financing activities	(66,083)
Cash flows from investing activities	
Earnings on investments	106,081
Purchase of certificates of deposit	(6,250,000)
	<hr/>
Net cash used by investing activities	(6,143,919)
Net decrease in cash and cash equivalents	(5,515,656)
Cash and cash equivalents at beginning of year	6,995,239
	<hr/>
Cash and cash equivalents at end of year	\$ 1,479,583
	<hr/> <hr/>

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

	Enterprise Fund
	<u> </u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 1,005,292
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	154,885
Bad debts	1,026
Change in assets and liabilities	
Receivables	(50,010)
Inventory	(33,060)
Accounts payable	48,411
Due to other funds	331,337
Customer deposits	(1,250)
Accrued compensated absences	(1,143)
	<u> </u>
Net cash provided by operating activities	<u><u>\$ 1,455,488</u></u>

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies

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

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

The more significant of the City’s accounting policies are described below.

A.1 – Reporting entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The reporting entity’s financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The City has examined other entities that could be included as defined in numbers 2 and 3 above. Based on these criteria, the City has no component units.

A.2 – Fund accounting

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.” The City does not have any fiduciary funds.

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), major capital projects (capital projects fund), and the servicing of general long-term debt (debt service fund). The following is the City’s major governmental fund:

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

General Fund – The General Fund is the operating fund of the City. It is used to account for most of the day-to-day operations of the City which are financed from sales and use taxes, property taxes and other general revenues. Activities financed by the general fund include those of line and staff departments within the City, except for activities of the enterprise funds.

The following are the City's nonmajor governmental funds:

Heginbotham Trust Fund – This fund is a special revenue fund established with funds from the sale of lots with the interest earned on the principal being transferred to the parks department in the General Fund on an annual basis.

Library Land Fund – This fund is a special revenue fund established through the sale of land with the interest earned on the principal being transferred to the library department in the General Fund on an annual basis.

Spindler Library Fund – This fund is a special revenue fund established with money bequeathed to the City for the library.

Cemetery Perpetual Care Fund – This fund is a special revenue fund established to help maintain the cemetery with the interest earned on the principal being transferred to the cemetery department in the General Fund on an annual basis.

Conservation Trust Fund – This fund is a special revenue fund established to accumulate lottery proceeds which can be used to fund recreational facilities and/or projects.

Cemetery White Fund – This fund is a special revenue fund established with money bequeathed to the City to be used for the cemetery with the interest earned on the principal being transferred to the cemetery department in the General Fund on an annual basis. The principal can be used for projects approved by the cemetery board.

Massman Memorial Fund – This fund is a special revenue fund established with money bequeathed to the City to be used for the parks with the interest earned on the principal being transferred to the parks department in the General Fund on an annual basis. The principal can be used for projects approved by city council.

Firemen's Pension Fund – This fund is a special revenue fund established to provide financial resources for the City's Volunteer Fire Pension Plan.

LeBlanc Estate Fund – This fund is a permanent fund established with money bequeathed to the City to be used for maintaining the cemetery with the interest earned on the principal being transferred to the cemetery department in the General Fund on an as needed basis to cover cemetery maintenance projects.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is the City's major proprietary fund:

Utility Fund – This fund was established to account for all operations of the electric, water, sewer, and refuse utility services provided by the City.

Note A.3 – 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 except for fiduciary funds. 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 are clearly identifiable to a particular function. 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 enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

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

A.4 – 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 also 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.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements 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, entitlements 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 nonexchange transactions must also be available before it can be recognized.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Property taxes, sales taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

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

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

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 liability for unearned revenue is removed and the 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 the governmental funds.

A.5 – Encumbrances

Encumbrances outstanding at year-end are considered immaterial and thus are not reported as reservations of fund balance.

A.6 – Cash and cash investments

The City has pooled the cash resources of its funds in order to maximize investment opportunities. Short-term investments, including government securities and certificates of deposit, are purchased with pooled cash. Interest earned is allocated to individual funds based on their proportional equity in each investment purchased. Certain funds have made disbursements for investments in excess of the fund’s individual equity. The deficit balances of these funds are reported as a liability “due to other funds.”

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.7 – Cash and cash equivalents

For the purposes of the statement of cash flows, the City considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

A.8 – Short-term interfund receivables/payables

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

A.9 – Receivables

Monthly charges for water, sanitation and sewer services are included with monthly utility billings. No allowance for doubtful accounts has been provided in the accompanying financial statements since substantially all accounts are deemed by management to be collectible.

A.10 – Inventories

Inventories in the proprietary funds consist of supplies and are recorded at the lower of cost or market using the first-in, first-out method.

A.11 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

All capital assets with a unit cost greater than \$5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) have been capitalized on a prospective basis beginning in 2004.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until project completion with interest earned on invested proceeds over the same period. No interest was capitalized during the year.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Buildings	20-40 years	20-40 years
Equipment	3-10 years	3-10 years
Improvements other than buildings	10-40 years	10-40 years
Infrastructure	10-50 years	n/a

A.12 – Compensated absences

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences.” In recognition of the varying work schedules of city employees and each employee’s diverse needs for time away from work, the City provides a general leave policy of paid time off (PTO) for its employees. Paid time off shall be accrued by regular employees and is determined by the work period that each employee is scheduled.

Vacation leave

Full-time employees may accumulate up to 160 hours of vacation for the first 10 years of continuous service. After 10 years of continuous service an additional 8 hours per year may be accumulated up to a maximum of 200 hours of vacation after 15 years of continuous service. Accumulated vacation leave is paid upon separation from employment.

Sick leave

Full-time employees may accumulate up to 480 hours of sick leave. Accumulated sick leave is paid upon separation from employment at the rate of 1 day for each 4 days except in cases where employees are discharged or terminated for any reason within the first year of employment.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account “accrued compensated absences” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of the compensated absences is reported as a fund liability.

The amounts recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date.

A.13– Accrued liabilities and long-term obligations

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. Compensated absences are reported as accrued in the government-wide and proprietary fund financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees. Bonds payable 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.

A.14 – Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.15 – Operating revenues and expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are service charges for electric, water, sanitation and sewer utility services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

A.16 – 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 interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services that are provided and used are not eliminated in the process of consolidation.

A.17 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the city council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year.

A.18 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different type of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

- *Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),
- *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
- *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of education (the City's highest level of decision-making authority),
- *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
- *Unassigned* fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the members of city council through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the City applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

Note B – Cash and investments

Cash and deposits

Colorado State statutes govern the City's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note B – Cash and investments (Continued)

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of year-end, the City had total deposits of \$13,762,860, of which \$750,000 was insured and \$13,012,860 was collateralized with securities held by the pledging institution’s trust department or agent in the City’s name.

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the City’s own investment policies and procedures. Investments of the City may include:

- Obligations of the United States Government, such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

At year-end, the City did not have any investments.

Note C – Receivables

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Receivables</u>
Utility accounts	\$ -	\$ 429,903	\$ 429,903
Property taxes	391,994	-	391,994
Other accounts	142,645	-	142,645
Interest	<u>3,548</u>	<u>50,489</u>	<u>54,037</u>
Total	<u>\$ 538,187</u>	<u>\$ 480,392</u>	<u>\$ 1,018,579</u>

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Phillips County bills and collects property taxes for all taxing entities within the County. The tax receipts collected by the County are remitted to the City in the subsequent month.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note D – Interfund transactions

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Utility Fund	\$ 1,150,000
General Fund	Other Governmental Funds	<u>18,835</u>
Total		<u>\$ 1,168,835</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The City annually transfers funds from the Utility Fund and Other Governmental Funds to provide support to various departments within the General Fund.

Note E – Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 129,481	\$ -	\$ -	\$ 129,481
Construction in progress	<u>481,868</u>	<u>967,906</u>	<u>(370,657)</u>	<u>1,079,117</u>
Total capital assets, not being depreciated	611,349	967,906	(370,657)	1,208,598
Capital assets, being depreciated:				
Land and improvements	10,123,026	177,790	370,657	10,671,473
Buildings and improvements	1,560,092	-	-	1,560,092
Office equipment	156,335	-	-	156,335
Machinery and equipment	<u>2,391,791</u>	<u>82,442</u>	<u>(28,934)</u>	<u>2,445,299</u>
Total capital assets, being depreciated	<u>14,231,244</u>	<u>260,232</u>	<u>341,723</u>	<u>14,833,199</u>
Total capital assets	14,842,593	1,228,138	(28,934)	16,041,797

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Less accumulated depreciation for:				
Land and improvements	(5,256,268)	(213,213)	-	(5,469,481)
Buildings and improvements	(1,016,088)	(37,306)	-	(1,053,394)
Office equipment	(151,622)	(1,697)	-	(153,319)
Machinery	<u>(1,886,173)</u>	<u>(90,578)</u>	<u>27,728</u>	<u>(1,949,023)</u>
 Total accumulated depreciation	 <u>(8,310,151)</u>	 <u>(342,794)</u>	 <u>27,728</u>	 <u>(8,625,217)</u>
 Governmental activities capital assets, net	 <u>\$ 6,532,442</u>	 <u>\$ 885,344</u>	 <u>\$ (1,206)</u>	 <u>\$ 7,416,580</u>
 Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 151,000	\$ -	\$ -	\$ 151,000
 Capital assets, being depreciated				
Distribution systems	4,493,305	66,083	-	4,559,388
Buildings and improvements	515,181	-	-	515,181
Office equipment	18,330	-	-	18,330
Machinery and equipment	<u>1,604,938</u>	<u>-</u>	<u>-</u>	<u>1,604,938</u>
 Total capital assets, being depreciated	 <u>6,631,754</u>	 <u>66,083</u>	 <u>-</u>	 <u>6,697,837</u>
 Total capital assets	 6,782,754	 66,083	 -	 6,848,837
 Less accumulated depreciation for:				
Distribution systems	(3,533,898)	(86,908)	-	(3,620,806)
Buildings and improvements	(366,544)	(17,759)	-	(384,303)
Office equipment	(18,330)	-	-	(18,330)
Machinery and equipment	<u>(1,314,521)</u>	<u>(50,218)</u>	<u>-</u>	<u>(1,364,739)</u>
 Total accumulated depreciation	 <u>(5,233,293)</u>	 <u>(154,885)</u>	 <u>-</u>	 <u>(5,388,178)</u>
 Business-type activities capital assets, net	 <u>\$ 1,549,461</u>	 <u>\$ (88,802)</u>	 <u>\$ -</u>	 <u>\$ 1,460,659</u>

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

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

Governmental activities	
General government	\$ 5,017
Public safety	28,323
Public works	252,276
Health and welfare	625
Culture and recreation	<u>56,553</u>
Total governmental activities	<u>\$ 342,794</u>
Business-type activities	
Electric	\$ 32,477
Water	45,106
Sewer	55,939
Refuse	500
Administration	<u>20,863</u>
Total business-type activities	<u>\$ 154,885</u>

Note F – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Governmental Activities					
Compensated absences	\$ 44,213	\$ 7,665	\$ -	\$ 51,878	\$ -

The compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund. The City believes that the current portion of compensated absences is negligible and is therefore not reported.

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Business-type activities					
Compensated absences	\$ 65,899	\$ -	\$ (1,143)	\$ 64,756	\$ -

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note G - 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. The City has affiliated with the Colorado Intergovernmental Risk Sharing Agency (CIRSA) to provide protection against losses incurred related to property, casualty and general liability claims. CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of the Colorado Revised Statutes and the Colorado Constitution. The purposes of CIRSA are to provide members defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, or officers. The City makes an annual contribution to CIRSA for its insurance coverage. For the year, the City's financial contribution to CIRSA was \$88,558. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the City. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note H - Pension plans

The City is covered under three separate pension plans. In addition, employees may also make voluntary contributions to the deferred compensation plan discussed in Note I. The City's General Fund has been used in prior years to liquidate any net pension obligation. The assets under these plans are not considered property of the City and are held by a third party administrator for the exclusive benefit of the plan participants and their beneficiaries. The City has little administrative involvement and does not perform the investing functions for the plans. Therefore, these assets are not included as part of the financial statements of the City.

Below is a summary of the deferred inflows/outflows, net pension assets and liabilities, and pension expense for the defined benefit plans.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Pension Expense</u>
SWDB	\$ 50,475	\$ 53,079	\$ -	\$ 69,275	\$ (6,665)
Volunteer - Fire	<u>10,849</u>	<u>31,890</u>	<u>-</u>	<u>146,643</u>	<u>(18,744)</u>
Total	<u>\$ 61,324</u>	<u>\$ 84,969</u>	<u>\$ -</u>	<u>\$ 215,918</u>	<u>\$ (25,409)</u>

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

The City's three retirement plans and related disclosures are as follows:

Statewide Defined Benefit Plan

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. 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.

General information about the pension plan

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

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

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

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

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

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

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

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

In 2014, the members elected to increase the member contribution rate to the SWDB Plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

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

The contribution rate for members and employers of affiliated social security employers is 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.0 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Contributions to the Plan from the City during the year ended December 31, 2022 were \$9,238.

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 \$69,275 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 January 1, 2022. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2021, the City's proportion was .0128 percent, which was an increase of .0015 percent from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension expense of \$(6,665). At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 45,726
Changes in assumptions and other inputs	11,256	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	7,823	5,726
Difference between expected and actual experience	22,158	1,627
Contributions subsequent to measurement date	<u>9,238</u>	<u>-</u>
Totals	<u>\$ 50,475</u>	<u>\$ 53,079</u>

\$9,238 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent year. 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>Amount</u>
2023	\$ (4,932)
2024	(10,367)
2025	(4,621)
2026	(810)
2027	4,958
2028	3,176
2029	1,134
2030	(375)
2031	<u>(5)</u>
Totals	<u>\$ (11,842)</u>

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ended December 31, 2021. The valuations used the following actuarial assumption and other inputs:

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

	Total Pension Liability	Actuarial Determined Contributions
Actuarial valuation date	January 1, 2022	January 1, 2021
Actuarial method	Entry age normal	Entry age normal
Amortization method	N/A	Level % of payroll, open
Amortization period	N/A	30 years
Long-term investment rate of return, net*	7.0%	7.0%
Projected salary increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustments (COLA)	0%	0%
* Includes inflation at	2.5%	2.5%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021, are summarized in the following table:

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income – Rates	10%	4.01%
Fixed Income – Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	<u>2%</u>	2.32%
Total	<u>100%</u>	

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.84 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the City's proportionate share of the net pension liability/(asset) to changes in the discount rate. Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the City's proportionate share of the net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

	1% Decrease <u>(6.00%)</u>	Current Discount <u>(7.00)</u>	1% Increase <u>(8.00)</u>
Proportionate share of the net pension liability (asset)	\$ <u>(9,554)</u>	\$ <u>(69,275)</u>	\$ <u>(118,752)</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

Payables to the pension plan

The City did not report any payables to the pension plan at year-end.

Holyoke Volunteer Fire Department Pension Fund

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Holyoke Volunteer Fire Department Pension Fund and additions to/deductions from Holyoke Volunteer Fire Department Pension Fund's net position have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the pension plan

Plan administration. The City's defined benefit pension plan for volunteers provides retirement and disability benefits and death benefits to plan members and beneficiaries. The plan is affiliated with the Fire and Police Member's Benefit Fund, an agent multiple-employer pension plan administered by the Fire and Police Pension Association (FPPA) of Colorado. Title 31, Article 30 of the Colorado Revised Statutes assigns the authority to establish and amend the benefit provisions of the plans that participate in FPPA to the respective member entities. The FPPA issues a publicly available financial report that includes financial statements and required supplementary information for Public Employee Retirement System (PERS) Affiliated Local Plans that can be obtained at <http://www.FPPAco.org>.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

Management of the Holyoke Volunteer Fire Department Pension Fund is vested in the local Pension Board, which consists of the City Mayor, Treasurer, two persons appointed by the governing body of the City, and three representatives of the local fire department serving the City.

Plan membership. At year-end, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	23
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>22</u>
Total	<u>46</u>

Benefits provided. The plan provides retirement and death benefits. Any firefighter who has both reached the age of 50 and completed 20 years of active service shall be eligible for a monthly pension (currently \$55 per month). Vesting for reduced monthly pension benefits begins at 10 years of service, with full pension after 20 years. The plan also provides for a lump-sum burial benefit of \$100 upon the death of an active or retired firefighter. The plan does not provide for disability or survivor benefits.

Contributions. Contribution requirements of the plan are established under Title 31, Article 30 of the Colorado Revised Statutes. The plan is noncontributory regarding participants. Contributions to the plan for the year ended December 31, 2022 included \$8,660 from the State of Colorado matching funds and \$10,849 from the City.

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 asset of \$146,643. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

For the year ended December 31, 2022, the City recognized pension expense of \$(18,744). At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 28,990
Changes in assumptions and other inputs	-	-
Difference between expected and actual experience	-	2,900
Contributions subsequent to measurement date	<u>10,849</u>	<u>-</u>
Totals	<u>\$ 10,849</u>	<u>\$ 31,890</u>

\$10,849 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31, _____</u>	<u>Amount</u>
2023	\$ (9,503)
2024	(10,950)
2025	(7,158)
2026	<u>(4,279)</u>
Totals	<u>\$ (31,890)</u>

Actuarial assumptions. The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open*
Remaining amortization period	20 years*
Asset valuation method	5-year smoothed fair value
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00%
Retirement age	50% per year of eligibility until 100% at age 65
Mortality	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. 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: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

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

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

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

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

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 and local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

Changes in the net pension liability/(asset)

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Balances at beginning of year	\$ 177,756	\$ 286,525	\$ (108,769)
Changes for the year			
Service cost	838	-	838
Interest on total pension liability	11,971	-	11,971
Benefit changes	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions – employer	-	10,215	(10,215)
Contributions – state of Colorado	-	8,658	(8,658)
Net investment income	-	41,287	(41,287)
Benefit payments	(14,564)	(14,564)	-
Administrative expenses	-	(9,477)	9,477
Net changes	<u>(1,755)</u>	<u>36,119</u>	<u>(37,874)</u>
Balances at end of year	<u>\$ 176,001</u>	<u>\$ 322,644</u>	<u>\$ (146,643)</u>

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net pension liability (asset)	<u>\$ (129,140)</u>	<u>\$ (146,643)</u>	<u>\$ (161,334)</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Holyoke Volunteer Fire Department Pension Fund financial report.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

Payables to the pension plan

The City did not report any payables to the pension plan at year-end.

Defined Contribution Plan

The City contributes to the Colorado County Officials and Employees Retirement Plan (the Plan), a defined contribution plan administered by the Colorado County Officials and Employees Retirement Association (CCOERA).

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the City Council. The City's contribution is a minimum of 6 percent of covered salary, but may be increased beyond this amount. All eligible employees are required to contribute an amount equal to the contribution by the City. For the year employee contributions totaled \$61,283, and the City recognized pension expense of \$61,283.

Employees are immediately vested in their own contributions, City contributions, and earnings on those contributions.

Note I – Deferred compensation plan

The City has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is administered by an independent plan administrator through an administrative service agreement. The plan is available to all permanent City employees. Employees defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death or financial hardship.

Amendments to the laws governing Section 457 deferred compensation plans substantially became effective January 1, 1997. The City approved plan amendments such that plan assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The assets will not be diverted to any other purpose.

Note J – Commitments and contingencies

Federal and state funding

The City receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note J – Commitments and contingencies (Continued)

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the City under specified voting requirements by the entire electorate. On November 7, 1995, the voters of the City approved a ballot initiative permitting the City to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of TABOR. However, the City has made certain interpretations of TABOR's language in order to determine its compliance. The City has restricted funds in the General Fund in the amount of \$91,000 for the emergency reserve.

Local Government Budget Laws

Expenditures in the Firemen's Pension Fund exceeded their appropriation by \$104, which may be a violation of Colorado Local Government Budget Laws.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset) – Fire & Police Statewide Defined Benefit Plan
- Schedule of City Contributions – Fire & Police Statewide Defined Benefit Plan
- Schedule of Changes in the City's Net Pension Liability/(Asset) and Related Ratios – Holyoke Volunteer Fire Department Pension Fund
- Schedule of City Contributions – Holyoke Volunteer Fire Department Pension Fund
- Budgetary Comparison Schedule – General Fund
- Notes to Required Supplementary Information

CITY OF HOLYOKE, COLORADO
Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset) ¹
Fire & Police Statewide Defined Benefit Plan
December 31, 2022

	2022	2021	2020	2019
City's proportion of the net pension liability/(asset)	0.0128%	0.0113%	0.0151%	0.0145%
City's proportionate share of the net pension liability/(asset)	\$ (69,275)	\$ (24,613)	\$ (8,494)	\$ 18,317
City's covered payroll	\$ 94,741	\$ 126,117	\$ 145,510	\$ 98,813
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	-73.1%	-19.5%	-5.8%	18.5%
Plan fiduciary net position as a percentage of the total pension liability	116.20%	106.70%	101.90%	95.20%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2018	2017	2016	2015	2014
0.0140%	0.0165%	0.0151%	0.0146%	0.0159%
\$ (20,153)	\$ 5,968	\$ (266)	\$ (16,486)	\$ (14,209)
\$ 81,938	\$ 84,525	\$ 73,175	\$ 65,688	\$ 69,025
-24.6%	7.1%	0.4%	25.1%	20.6%
106.30%	98.21%	100.10%	106.80%	105.80%

CITY OF HOLYOKE, COLORADO
Schedule of City Contributions ¹
Fire & Police Statewide Defined Benefit Plan
December 31, 2022

	2022	2021	2020	2019
Contractually required contribution	\$ 9,238	\$ 8,053	\$ 10,089	\$ 11,641
Contributions in relation to the contractually required contribution	(9,238)	(8,053)	(10,089)	(11,641)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 108,682	\$ 94,741	\$ 126,117	\$ 145,510
Contributions as a percentage of covered payroll	8.50%	8.50%	8.00%	8.00%

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2018	2017	2016	2015	2014	2013
\$ 7,905	\$ 6,555	\$ 6,762	\$ 5,854	\$ 5,255	\$ 5,522
(7,905)	(6,555)	(6,762)	(5,854)	(5,255)	(5,522)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 98,813	\$ 81,938	\$ 84,525	\$ 73,175	\$ 65,688	\$ 69,025
8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

CITY OF HOLYOKE, COLORADO
Schedule of Changes in the City's Net Pension Liability/(Asset) and Related Ratios 1
Holyoke Volunteer Fire Department Pension Fund
Last 10 Fiscal Years

	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 838	\$ 703	\$ 703	\$ 762
Interest on the total pension liability	11,971	12,629	12,771	13,833
Differences between expected and actual experience	-	(7,823)	-	(7,772)
Changes of assumptions	-	-	-	7,045
Benefit payments	(14,564)	(15,389)	(15,609)	(16,039)
Net change in total pension liability	(1,755)	(9,880)	(2,135)	(2,171)
Total pension liability - beginning	177,756	187,636	189,771	191,942
Total pension liability - ending (a)	<u>\$ 176,001</u>	<u>\$ 177,756</u>	<u>\$ 187,636</u>	<u>\$ 189,771</u>
Plan fiduciary net position				
Contributions - employer	\$ 10,215	\$ 10,253	\$ 10,003	\$ 9,668
Net investment income	41,287	32,080	32,369	257
Benefit payments	(14,564)	(15,389)	(15,609)	(16,039)
Pension plan administrative expenses	(9,477)	(8,311)	(10,452)	(10,110)
State of Colorado supplemental discretionary payment	8,658	16,559	8,346	-
Net change in plan fiduciary net position	36,119	35,192	24,657	(16,224)
Plan fiduciary net position - beginning	286,525	251,333	226,676	242,900
Plan fiduciary net position - ending (b)	<u>\$ 322,644</u>	<u>\$ 286,525</u>	<u>\$ 251,333</u>	<u>\$ 226,676</u>
City's net pension liability/(asset) - ending (a) - (b)	<u>\$ (146,643)</u>	<u>\$ (108,769)</u>	<u>\$ (63,697)</u>	<u>\$ (36,905)</u>
Plan fiduciary net position as a percentage of the total pension liability	183.32%	161.19%	133.95%	119.45%
Covered payroll	N/A	N/A	N/A	N/A
City's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

1 Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2018	2017	2016	2015
\$ 762	\$ 964	\$ 964	\$ 767
13,928	14,045	14,107	13,718
-	(5,993)	-	6,209
-	5,574	-	-
(15,884)	(16,201)	(15,609)	(15,609)
(1,194)	(1,611)	(538)	5,085
193,136	194,747	195,285	190,200
<u>\$ 191,942</u>	<u>\$ 193,136</u>	<u>\$ 194,747</u>	<u>\$ 195,285</u>
\$ 9,934	\$ 9,820	\$ 9,324	\$ 8,729
30,916	10,829	3,689	12,654
(15,884)	(16,201)	(15,609)	(15,609)
(10,121)	(599)	(2,722)	(679)
8,331	7,931	7,382	7,002
23,176	11,780	2,064	12,097
219,724	207,944	205,880	193,783
<u>\$ 242,900</u>	<u>\$ 219,724</u>	<u>\$ 207,944</u>	<u>\$ 205,880</u>
<u>\$ (50,958)</u>	<u>\$ (26,588)</u>	<u>\$ (13,197)</u>	<u>\$ (10,595)</u>
126.55%	113.77%	106.78%	105.43%
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A

CITY OF HOLYOKE, COLORADO
Schedule of City Contributions ¹
Holyoke Volunteer Fire Department Pension Fund
Last 10 Fiscal Years

<u>Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution *</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actuarial Contribution as a % of Covered Payroll</u>
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2022	\$ -	\$ 19,509	\$ (19,509)	N/A	N/A
2021	6,166	18,873	(12,707)	N/A	N/A
2020	6,166	26,812	(20,646)	N/A	N/A
2019	-	18,349	(18,349)	N/A	N/A
2018	-	9,668	(9,668)	N/A	N/A
2017	-	18,265	(18,265)	N/A	N/A
2016	-	17,751	(17,751)	N/A	N/A
2015	940	16,706	(15,766)	N/A	N/A
2014	940	15,731	(14,791)	N/A	N/A

* Includes both employer and State of Colorado Supplemental Discretionary Payment.

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

CITY OF HOLYOKE, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 1,102,835	\$ 1,102,835	\$ 1,190,034	\$ 87,199
Licenses and permits	15,200	15,200	17,906	2,706
Intergovernmental revenues	3,342,155	3,342,155	301,319	(3,040,836)
Charges for services	85,650	85,650	78,148	(7,502)
Fines and forfeitures	14,000	14,000	4,142	(9,858)
Earnings on investments	4,340	4,340	7,791	3,451
Miscellaneous revenues	438,970	438,970	342,214	(96,756)
Total revenues	5,003,150	5,003,150	1,941,554	(3,061,596)
Expenditures				
General government	3,155,580	3,155,580	265,704	2,889,876
Public safety	1,439,885	1,439,885	1,368,616	71,269
Public works	1,625,750	1,625,750	963,253	662,497
Health and welfare	178,780	178,780	63,884	114,896
Culture and recreation	817,170	817,170	672,288	144,882
Total expenditures	7,217,165	7,217,165	3,333,745	3,883,420
Excess of revenues over (under) expenditures	(2,214,015)	(2,214,015)	(1,392,191)	821,824
Other financing sources				
Transfers in	2,457,910	2,457,910	1,168,835	(1,289,075)
Sale of assets	1,000	1,000		(1,000)
Total other financing sources	2,458,910	2,458,910	1,168,835	(1,290,075)
Net change in fund balance	\$ 244,895	\$ 244,895	(223,356)	\$ (468,251)
Fund balance at beginning of year			3,073,614	
Fund balance at end of year			\$ 2,850,258	

CITY OF HOLYOKE, COLORADO
Notes to Required Supplementary Information

Note A – Budgets and budgetary accounting

Annual budgets are established for all funds of the City. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles except for the Utility Fund in which capital purchases and principal retirement expenses are treated as operating expenses and depreciation expense is not budgeted.

An appropriated budget for the entity as a whole is prepared on a detailed basis. Revenues are budgeted by source. Expenditures are budgeted by department and the major divisions thereof and by each independent office and agency and by the principal objects of expenditure. The legal level of control is considered to be the entity as a whole and expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review and approval by city council. Within these control levels, management may transfer appropriations without city council approval. Revisions to the budget were made during the year.

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

- On or before October 15th of each year, or in conformity with the general state law, the city clerk submits to the city council a budget which shall be a complete financial plan for the ensuing fiscal year.
- At the same time the budget is submitted, the city clerk shall also prepare an appropriation ordinance making a levy in mills upon all taxable property within the City for the ensuing fiscal year. A public hearing on the budget shall be held by city council two weeks after its submission. Notice of the time and place of said hearing shall be published within three days after the submission of the budget.
- Prior to December 15th, or in conformity with the general state law, the city council shall adopt the budget and the tax levy ordinance.

Note B – Factors affecting trends in amounts reported in the pension schedules

Information about factors that significantly affect trends in the amounts reported in the pension schedules is available in FPPA's comprehensive annual financial report which can be obtained at www.fppaco.org/annual-reports.html.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- General Fund – Budgetary Comparison Schedules of Revenues and Expenditures
- Combining Statements and Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Fund

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Budgetary Comparison Schedules – General Fund

The General Fund accounts for all transactions of the City not required to be accounted for in other funds. This fund represents an accounting of the City's ordinary operations financed primarily from tax dollars and intergovernmental aid. It is the most significant fund in relation to the City's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

CITY OF HOLYOKE, COLORADO
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Taxes				
General property	\$ 387,435	\$ 387,435	\$ 391,676	\$ 4,241
Specific ownership	45,000	45,000	42,182	(2,818)
General sales and use	625,000	625,000	708,348	83,348
Franchise	20,400	20,400	19,081	(1,319)
Lodging tax	25,000	25,000	28,747	3,747
Total taxes	1,102,835	1,102,835	1,190,034	87,199
Licenses and permits	15,200	15,200	17,906	2,706
Intergovernmental revenues				
Highway users tax	95,960	95,960	97,086	1,126
Motor vehicle assessments	11,000	110,000	11,340	(98,660)
Road and bridge tax	35,000	35,000	34,456	(544)
Cigarette taxes	3,000	3,000	2,133	(867)
Airport fuel tax	4,000	4,000	5,972	1,972
Federal and state grants	3,193,195	3,193,195	150,332	(3,042,863)
Total intergovernmental revenues	3,342,155	3,441,155	301,319	(3,139,836)
Charges for services				
Cemeteries	32,150	32,150	32,650	500
Recreation	53,500	53,500	45,498	(8,002)
Total charges for services	85,650	85,650	78,148	(7,502)
Fines and forfeitures				
Court	14,000	14,000	4,142	(9,858)
Total fines and forfeitures	14,000	14,000	4,142	(9,858)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Earnings on investments	4,340	4,340	7,791	3,451
Miscellaneous revenues				
Rents	25,300	25,300	25,109	(191)
Airport fuel sales	120,000	120,000	204,504	84,504
Reimbursements	238,570	238,570	84,226	(154,344)
Insurance claims	5,500	5,500	5	(5,495)
Miscellaneous	49,600	49,600	28,370	(21,230)
Total miscellaneous revenues	438,970	438,970	342,214	(96,756)
Total revenues	\$ 5,003,150	\$ 5,102,150	\$ 1,941,554	\$ (3,160,596)

CITY OF HOLYOKE, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
General government				
General administration	\$ 3,093,070	\$ 3,093,070	\$ 237,309	\$ 2,855,761
Building department	62,510	62,510	28,395	34,115
Total general government	3,155,580	3,155,580	265,704	2,889,876
Public safety				
Police	622,885	622,885	477,489	145,396
Fire	817,000	817,000	891,127	(74,127)
Total public safety	1,439,885	1,439,885	1,368,616	71,269
Public works				
Airport	374,095	374,095	328,123	45,972
Streets	1,251,655	1,251,655	635,130	616,525
Total public works	1,625,750	1,625,750	963,253	662,497
Health and welfare				
Cemetery	178,780	178,780	63,884	114,896
Culture and recreation				
Library	189,990	189,990	157,664	32,326
Parks	93,790	93,790	87,291	6,499
Pool	256,630	256,630	171,659	84,971
Golf	147,570	147,570	114,226	33,344
Recreation	129,190	129,190	141,448	(12,258)
Total culture and recreation	817,170	817,170	672,288	144,882
Total expenditures	\$ 7,217,165	\$ 7,217,165	\$ 3,333,745	\$ 3,883,420

**Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds**

The City reports the following nonmajor governmental funds:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Heginbotham Trust Fund – This fund is a special revenue fund established with funds from the sale of lots with the interest earned on the principal being transferred to the parks department in the General Fund on an annual basis.

Library Land Fund – This fund is a special revenue fund established through the sale of land with the interest earned on the principal being transferred to the library department in the General Fund on an annual basis.

Spindler Library Fund – This fund is a special revenue fund established with money bequeathed to the City for the library.

Cemetery Perpetual Care Fund – This fund is a special revenue fund established to help maintain the cemetery with the interest earned on the principal being transferred to the cemetery department in the General Fund on an annual basis.

Conservation Trust Fund – This fund is a special revenue fund established to accumulate lottery proceeds which can be used to fund recreational facilities and/or projects.

Cemetery White Fund – This fund is a special revenue fund established with money bequeathed to the City to be used for the cemetery with the interest earned on the principal being transferred to the cemetery department in the General Fund on an annual basis. The principal can be used for projects approved by the cemetery board.

Massman Memorial Fund – This fund is a special revenue fund established with money bequeathed to the City to be used for the parks with the interest earned on the principal being transferred to the parks department in the General Fund on an annual basis. The principal can be used for projects approved by city council.

Firemen's Pension Fund – This fund is a special revenue fund established to provide financial resources for the City's Volunteer Fire Pension Plan.

Permanent Fund – This fund accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

LeBlanc Estate Fund – This fund is a permanent fund established with money bequeathed to the City to be used for maintaining the cemetery with the interest earned on the principal being transferred to the cemetery department in the General Fund on an as needed basis to cover cemetery maintenance projects.

CITY OF HOLYOKE, COLORADO
Nonmajor Governmental Funds
Combining Balance Sheet
For the Year Ended December 31, 2022

	Special Revenue Funds			
	Heginbotham Trust Fund	Library Land Fund	Spindler Library Fund	Cemetery Perpetual Care Fund
Assets				
Cash	\$ 36,570	\$ 47,162	\$ 7,929	\$ 20,173
Cash with fiscal agent				
Certificates of deposit				225,000
Interest receivable				2,853
Property taxes receivable				
Total assets	\$ 36,570	\$ 47,162	\$ 7,929	\$ 248,026
Liabilities	\$ -	\$ -	\$ -	\$ -
Deferred inflows of resources				
Deferred property tax revenues				
Total deferred inflows of resources	-	-	-	-
Fund balance				
Nonspendable permanent fund principal				
Restricted to:				
Culture and recreation				
Public safety				
Committed to:				
Culture and recreation	36,570	47,162	7,929	
Health and welfare				248,026
Total fund balance	36,570	47,162	7,929	248,026
Total liabilities, deferred inflows of resources and fund balance	\$ 36,570	\$ 47,162	\$ 7,929	\$ 248,026

Special Revenue Funds				Permanent Fund	
Conservation Trust Fund	Cemetery White Fund	Massman Memorial Fund	Firemen's Pension Fund	LeBlanc Estate Fund	Total
\$ 140,099	\$ 16,025	\$ 51,272	\$ 23	\$ 222,060	\$ 541,290
			10,789		23
					225,000
					2,853
					10,789
<u>\$ 140,099</u>	<u>\$ 16,025</u>	<u>\$ 51,272</u>	<u>\$ 10,812</u>	<u>\$ 222,060</u>	<u>\$ 779,955</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			10,789		10,789
-	-	-	10,789	-	10,789
				216,647	216,647
140,099			23		140,099
		51,272			23
	16,025			5,413	142,933
					269,464
<u>140,099</u>	<u>16,025</u>	<u>51,272</u>	<u>23</u>	<u>222,060</u>	<u>769,166</u>
<u>\$ 140,099</u>	<u>\$ 16,025</u>	<u>\$ 51,272</u>	<u>\$ 10,812</u>	<u>\$ 222,060</u>	<u>\$ 779,955</u>

CITY OF HOLYOKE, COLORADO
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2022

	Special Revenue Funds			
	Heginbotham Trust Fund	Library Land Fund	Spindler Library Fund	Cemetery Perpetual Care Fund
Revenues				
Taxes				
Intergovernmental revenue				
Earnings on investments	\$ 181	\$ 235	\$ 40	\$ 3,316
Miscellaneous				9,250
Total revenues	181	235	40	12,566
Expenditures				
Public safety				
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	181	235	40	12,566
Other financing uses				
Transfers out	(150)	(190)		(3,295)
Net change in fund balance	31	45	40	9,271
Fund balance at beginning of year	36,539	47,117	7,889	238,755
Fund balance at end of year	\$ 36,570	\$ 47,162	\$ 7,929	\$ 248,026

Special Revenue Funds				Permanent Fund	
Conservation Trust Fund	Cemetery White Fund	Massman Memorial Fund	Firemen's Pension Fund	LeBlanc Estate Fund	Total
			\$ 11,085		\$ 11,085
\$ 30,004	\$ 148	\$ 255		\$ 1,080	30,004
526					5,781
					9,250
30,530	148	255	11,085	1,080	56,120
			11,069		11,069
-	-	-	11,069	-	11,069
30,530	148	255	16	1,080	45,051
	(14,120)	(210)		(870)	(18,835)
30,530	(13,972)	45	16	210	26,216
109,569	29,997	51,227	7	221,850	742,950
\$ 140,099	\$ 16,025	\$ 51,272	\$ 23	\$ 222,060	\$ 769,166

CITY OF HOLYOKE, COLORADO
Heginbotham Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 150	\$ 150	\$ 181	\$ 31
Total revenues	150	150	181	31
Expenditures				
Current				
Culture and recreation				-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	150	150	181	31
Other financing uses				
Transfers out	(150)	(150)	(150)	-
Net change in fund balance	\$ -	\$ -	31	\$ 31
Fund balance at beginning of year			36,539	
Fund balance at end of year			\$ 36,570	

CITY OF HOLYOKE, COLORADO
Library Land Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 190	\$ 190	\$ 235	\$ 45
Total revenues	190	190	235	45
Expenditures				
Current				
Culture and recreation				-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	190	190	235	45
Other financing uses				
Transfers out	(190)	(190)	(190)	-
Net change in fund balance	\$ -	\$ -	45	\$ 45
Fund balance at beginning of year			47,117	
Fund balance at end of year			\$ 47,162	

CITY OF HOLYOKE, COLORADO
Spindler Library Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 35	\$ 35	\$ 40	\$ 5
Total revenues	35	35	40	5
Expenditures				
Current				
Culture and recreation				-
Total expenditures	-	-	-	-
Net change in fund balance	\$ 35	\$ 35	40	\$ 5
Fund balance at beginning of year			7,889	
Fund balance at end of year			\$ 7,929	

CITY OF HOLYOKE, COLORADO
Cemetery Perpetual Care Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 3,295	\$ 3,295	\$ 3,316	\$ 21
Sale of cemetery plots	8,250	8,250	9,250	1,000
Total revenues	11,545	11,545	12,566	1,021
Expenditures				
Current				
Health and welfare				-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	11,545	11,545	12,566	1,021
Other financing uses				
Transfers out	(3,295)	(3,295)	(3,295)	-
Net change in fund balance	\$ 8,250	\$ 8,250	9,271	\$ 1,021
Fund balance at beginning of year			238,755	
Fund balance at end of year			\$ 248,026	

CITY OF HOLYOKE, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Lottery proceeds	\$ 22,000	\$ 22,000	\$ 30,004	\$ 8,004
Earnings on investments	330	330	526	196
Total revenues	22,330	22,330	30,530	8,200
Expenditures				
Current				
Culture and recreation	120,000	120,000		120,000
Total expenditures	120,000	120,000	-	120,000
Net change in fund balance	\$ (97,670)	\$ (97,670)	30,530	\$ 128,200
Fund balance at beginning of year			109,569	
Fund balance at end of year			\$ 140,099	

CITY OF HOLYOKE, COLORADO
Cemetery White Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 120	\$ 120	\$ 148	\$ 28
Total revenues	120	120	148	28
Expenditures				
Current				
Health and welfare	14,000	14,000		14,000
Total expenditures	14,000	14,000	-	14,000
Excess of revenues over (under) expenditures	(13,880)	(13,880)	148	14,028
Other financing uses				
Transfers out	(120)	(120)	(14,120)	(14,000)
Net change in fund balance	\$ (14,000)	\$ (14,000)	(13,972)	\$ 28
Fund balance at beginning of year			29,997	
Fund balance at end of year			\$ 16,025	

CITY OF HOLYOKE, COLORADO
Massman Memorial Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 210	\$ 210	\$ 255	\$ 45
Total revenues	210	210	255	45
Expenditures				
Current				
Culture and recreation				-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	210	210	255	45
Other financing uses				
Transfers out	(210)	(210)	(210)	-
Net change in fund balance	\$ -	\$ -	45	\$ 45
Fund balance at beginning of year			51,227	
Fund balance at end of year			\$ 51,272	

CITY OF HOLYOKE, COLORADO
Firemen's Pension Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	\$ 10,965	\$ 10,965	\$ 11,085	\$ 120
Total revenues	10,965	10,965	11,085	120
Expenditures				
Public safety				
Contributions to FPPA	10,765	10,765	10,849	(84)
County treasurer's fees	200	200	220	(20)
Total expenditures	10,965	10,965	11,069	(104)
Net change in fund balance	\$ -	\$ -	16	\$ 16
Fund balance at beginning of year			7	
Fund balance at end of year			\$ 23	

CITY OF HOLYOKE, COLORADO
LeBlanc Estate Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 870	\$ 870	\$ 1,080	\$ 210
Total revenues	870	870	1,080	210
Expenditures				
Current				
Health and welfare				-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	870	870	1,080	210
Other financing uses				
Transfers out	(870)	(870)	(870)	-
Net change in fund balance	\$ -	\$ -	210	\$ 210
Fund balance at beginning of year			221,850	
Fund balance at end of year			\$ 222,060	

Budgetary Comparison Schedules – Enterprise Funds

The City reports the following major proprietary fund:

Enterprise Funds – These funds are used to account for operations that provide services that are financed primarily by user charges, or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes.

- Utility Fund - This fund was established to account for all operations of the electric, water, sewer and refuse utility services provided by the City.

CITY OF HOLYOKE, COLORADO
Utility Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 3,996,300	\$ 3,996,300	\$ 3,940,413	\$ (55,887)
Total operating revenues	3,996,300	3,996,300	3,940,413	(55,887)
Operating expenses				
Salaries	822,795	822,795	797,323	25,472
Benefits	334,265	334,265	319,674	14,591
Supplies	51,500	51,500	58,072	(6,572)
Repairs and maintenance	257,140	257,140	111,057	146,083
Farm	10,000	10,000	8,542	1,458
Water pumping	60,500	60,500	67,566	(7,066)
Publications and legal notices	500	500		500
Membership and dues	4,600	4,600	4,565	35
Utilities	1,298,320	1,298,320	1,268,397	29,923
Legal and professional	76,000	76,000	46,065	29,935
Testing	9,300	9,300	3,979	5,321
Travel and meetings	7,900	7,900	120	7,780
Education and training	3,000	3,000		3,000
Landfill	55,000	55,000	49,478	5,522
Website	1,100	1,100		1,100
Insurance	60,000	60,000	44,372	15,628
Bad debts	3,000	3,000	1,026	1,974
Capital outlay	330,000	330,000	66,083	263,917
Total operating expenses	3,384,920	3,384,920	2,846,319	538,601
Operating income	611,380	611,380	1,094,094	482,714
Nonoperating revenues				
Earnings on investments	91,380	91,380	106,081	14,701
Property rent	67,910	67,910	66,035	(1,875)
Miscellaneous	318,705	318,705	45,333	(273,372)
Total nonoperating revenues	477,995	477,995	217,449	(260,546)
Net income before transfers	1,089,375	1,089,375	1,311,543	222,168

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Transfers in	305,000	305,000		(305,000)
Transfers out	(1,240,000)	(1,240,000)	(1,150,000)	90,000
Change in net position	<u>\$ 154,375</u>	<u>\$ 154,375</u>	161,543	<u>\$ 7,168</u>
Adjustments to GAAP Basis				
Add capital outlay			66,083	
Deduct depreciation			(154,885)	
Change in net position - GAAP Basis			72,741	
Net position at beginning of year			<u>11,636,932</u>	
Net position at end of year			<u>\$ 11,709,673</u>	

CITY OF HOLYOKE, COLORADO
Utility Fund
Schedule of Revenues, Expenses and Changes in Net Position by Department
For the Year Ended December 31, 2022

	<u>Electric</u>	<u>Water</u>	<u>Sewer</u>	<u>Refuse</u>
Operating revenues				
Charges for services	\$ 2,862,964	\$ 408,352	\$ 328,521	\$ 340,576
Total operating revenues	2,862,964	408,352	328,521	340,576
Operating expenses				
Salaries	274,963	27,579	67,031	113,208
Benefits	103,648	8,931	25,737	78,980
Supplies	12,126	17,040	2,701	18,502
Repairs and maintenance	73,708	14,348	10,816	6,023
Farm		8,542		
Water pumping		67,566		
Membership and dues		655		
Utilities	1,237,595	1,154	19,238	968
Legal and professional		15,800		
Testing		2,137	1,842	
Travel and meetings		120		
Landfill				49,478
Depreciation	32,477	45,106	55,939	500
Insurance				
Bad debts	1,026			
Total operating expenses	1,735,543	208,978	183,304	267,659
Operating income (loss)	1,127,421	199,374	145,217	72,917
Nonoperating revenues				
Earnings on investments	106,081			
Property rent		65,060		
Miscellaneous	30,227	12,070	1,370	1,659
Total nonoperating revenues	136,308	77,130	1,370	1,659
Net income (loss) before transfers	1,263,729	276,504	146,587	74,576
Transfers out	(900,000)	(115,000)	(125,000)	(10,000)
Change in net position	\$ 363,729	\$ 161,504	\$ 21,587	\$ 64,576

<u>Administration</u>	<u>Total</u>
	\$ 3,940,413
\$ -	3,940,413
314,542	797,323
102,378	319,674
7,703	58,072
6,162	111,057
	8,542
	67,566
3,910	4,565
9,442	1,268,397
30,265	46,065
	3,979
	120
	49,478
20,863	154,885
44,372	44,372
	1,026
<u>539,637</u>	<u>2,935,121</u>
(539,637)	1,005,292
	106,081
975	66,035
7	45,333
<u>982</u>	<u>217,449</u>
(538,655)	1,222,741
	(1,150,000)
<u>\$ (538,655)</u>	<u>\$ 72,741</u>

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**Colorado Department of Highways
Local Highway Finance Report**

This calendar-year report of receipts and expenditures is required by the Colorado Department of Highways to maintain Statewide accountability for moneys used for highway and street purposes. To ensure data accuracy, House Bill 1008 mandates that this report be included in the City's financial statements.

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

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

This Information From The Records Of: City of Holyoke	Prepared By: Kathleen L. Olofson, CMC
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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)	\$ 178,220.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 450,054.00
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	\$ 392,344.00	b. Snow and ice removal	
3. Other local imposts (from page 2)	\$ 186,330.00	c. Other	\$ 55,000.00
4. Miscellaneous local receipts (from page 2)	\$ -	d. Total (a. through c.)	\$ 55,000.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 3,826.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 687,100.00
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)	\$ 578,674.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 108,426.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 687,100.00	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)	\$ 687,100.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 687,100.00	\$ 687,100.00		\$ -

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	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 186,330.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 186,330.00	h. Other	
c. Total (a. + b.)	\$ 186,330.00	i. Total (a. through h.)	\$ -
<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.)	\$ 97,086.00	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	\$ 11,340.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ 11,340.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 108,426.00	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			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements		\$ 178,220.00	\$ 178,220.00
(3). System Preservation			\$ -
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 178,220.00	\$ 178,220.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 178,220.00	\$ 178,220.00
<i>(Carry forward to page 1)</i>			

Notes and Comments: