

**CITY OF MONTE VISTA, COLORADO**

**FINANCIAL STATEMENTS**

**December 31, 2022**



Wall,  
Smith,  
Bateman Inc.  
Certified Public Accountants

**CITY OF MONTE VISTA, COLORADO**  
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# INDEPENDENT AUDITORS' REPORT



Wall,  
Smith,  
Bateman Inc.

To the Honorable Mayor and City Council  
City of Monte Vista, Colorado

## *Opinions*

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

In our opinion, the accompanying financial statements 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

**Certified Public Accountants**

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resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information.***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and the pension information, as 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 combining fund financial schedules, the individual fund budgetary information, and the Local Highway Finance Report 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, combining fund financial schedules, the individual fund budgetary information, and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Wall, Smith, Bateman Inc.*

Wall, Smith, Bateman Inc.  
Alamosa, Colorado

August 31, 2023

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

Management of the City of Monte Vista offers readers this narrative overview and analysis of the financial activities for the City of Monte Vista as of December 31, 2022.

In compliance with Governmental Accounting Standards Board Number 34, also known as GASB 34, we present this report titled Management's Discussion and Analysis (MD&A). This discussion and analysis of the City's financial performance provides an overview of activities during the prior two years ending December 31, 2021, and December 31, 2022.

We encourage readers to consider this information in addition to the City's Audit.

**FINANCIAL HIGHLIGHTS**

As of December 31, 2022, the City of Monte Vista's government-wide net position totaled \$25,268,414. Of this amount, the net position related to governmental activities totaled \$18,944,077 and the net position for business-type activities totaled \$6,324,337.

- ❖ Total net position for the City increased by \$2,494,955 compared to 2021. Of this amount, net position for governmental activities increased by \$2,299,637 and net position for business type activities increased by \$195,318. Furthermore, governmental activities saw an increase of \$1,917,302 in assets due to the development of the Ski-Hi Complex and additional revenue saved in cash investments. Governmental activities saw a decrease in liabilities of \$587,010 as result of decreased debt service. Business-type activities saw an increase in assets of \$214,334 as well as a small increase in liabilities of \$19,016 compared to 2021.
- ❖ The net position for governmental activities includes \$12,425,107 of the net investment in capital assets, \$2,736,139 is restricted and \$3,782,831 is unrestricted. In business-type activities, \$4,036,441 is invested in capital assets, \$42,595 is restricted and \$2,245,301 is unrestricted.
- ❖ The City of Monte Vista's general sources of governmental revenue are made up of taxes, licenses and permits, fines and forfeits totaling \$4,697,764. Program revenues, in the form of charges for services, grants and contributions accounted for \$2,114,167 of total revenue.
- ❖ Total governmental revenues of \$6,811,931 decreased by \$2,163,915 compared to 2021. This is mostly related to a decrease in Program Revenues from grants and contributions for public safety, public works and airport, and the Ski Hi Complex.
- ❖ The Statement of Activities indicates that the City had \$4,710,294 in expenses related to governmental activities during 2022. This is an increase in expenditures of \$799,686 compared to the prior year. The increase in expenditures is attributed mainly to increased costs for General Government, and Culture and Recreation.
- ❖ Expenses for business-type activities totaled \$1,992,373, which is an increase in expenditures of \$76,139 compared to 2021.
- ❖ Total government-wide revenue of \$9,197,622 was adequate to provide for the above expenses resulting in a Net Change in Position of a positive \$2,494,955.
- ❖ At the end of 2022, the City of Monte Vista's governmental funds reported a combined ending fund balance of \$6,004,629. This resulted in an increase in overall fund balance of \$1,285,017 compared to 2021. This equates to a 27% increase in fund balance year-over-year. Of this total amount, \$2,736,139 is restricted, \$22,149 is committed, \$140,597 is assigned, and \$3,105,744 is unassigned.

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. We present two years of information, as recommended by GASB, so that the reader can review trends in the City's financial position and activities. The City of Monte Vista's basic financial statements are comprised of three components: (1) Government wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. This report also contains other required supplementary information, supplementary information, and other information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide readers a broad overview of the City of Monte Vista's financial activities in a manner similar to a private sectors business.

The *statement of net position* presents information on all of the City of Monte Vista's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference is 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 City of Monte Vista's net position changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future calendar periods (e.g., uncollected property taxes, sales tax, and earned but unused employees' vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Monte Vista that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Monte Vista include general government, public safety, public works, culture and recreation, urban/economic development, Kids Connection, and interest on long-term debt. The business-type activities of the City of Monte Vista include the Water and Sewer Funds.

**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 of Monte Vista, 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. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating the City's near-term financing requirements.

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

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

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 annual financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Monte Vista maintains four separate major governmental funds. Individual fund information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the One Cent Sales Tax Fund, the Capital Projects Fund, and the Capital Improvements Fund. Individual fund information for the non-major funds is presented as supplemental information after the note sections of the report. Non-major funds include the Conservation Trust Fund, Urban Renewal Authority Fund, Kids Connection Fund, and the Grants Fund.

The City of Monte Vista adopts an annual budget for each of the individual governmental funds. A budgetary comparison schedule for each fund is included in the required supplementary information to demonstrate compliance with the adopted budget.

***Proprietary Funds.*** When the City charges customers for services it provides, these services are generally reported in proprietary funds. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City of Monte Vista maintains one type of proprietary fund called enterprise funds. Enterprise funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The City of Monte Vista uses enterprise funds to account for their water and sewer operations and are known as the Water Fund and the Sewer Fund.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information essential to a full understanding of the data in the government-wide and fund financial statements.

**Other Information**

In addition to the financial statements and accompanying notes, this report also presents other supplementary information concerning the City's non-major funds. The combining statements of the non-major governmental funds are presented after the notes to the financial statements.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Analysis of Net Position**

The focus of this financial analysis is on comparisons of the activities for the current year, 2022, with those of the prior year, 2021, and comparison of balances at year-end, December 31<sup>st</sup>, for the same two years.

As noted earlier, the net position may serve over time as a useful indicator of the government's financial position. In the case of the City of Monte Vista, assets exceeded liabilities by \$25,268,414 as of December 31, 2022.

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

The City's net position can be separated into three primary categories: 1) Net investment in capital assets 2) Restricted net position and 3) Unrestricted net position.

The largest portion of the City's net position reflects its investment of \$16,461,548 in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure); less any related outstanding debt used to acquire those assets. The City of Monte Vista uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

*Table 1 provides a summary of the City's net position at December 31 for the years 2021 and 2022. Additional information is presented in the Statement of Net Position.*

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2022	2021	2022	2021	2022
Current and Other Assets	6,379,817	<b>7,580,984</b>	1,792,657	<b>2,105,604</b>	8,172,474	<b>9,686,588</b>
Noncurrent and Capital Assets	16,001,060	<b>16,717,195</b>	7,288,137	<b>7,189,524</b>	23,289,197	<b>23,906,719</b>
<b>Total Assets</b>	<b>22,380,877</b>	<b>24,298,179</b>	9,080,794	<b>9,295,128</b>	31,461,671	<b>33,593,307</b>
<b>Deferred Outflows</b>						
Related to Defined Benefit Pension Plan	298,160	<b>274,879</b>			298,160	<b>274,879</b>
Current Liabilities	1,751,492	<b>1,756,051</b>	292,988	<b>324,688</b>	2,044,480	<b>2,080,739</b>
Noncurrent Liabilities	3,662,745	<b>3,071,176</b>	2,658,787	<b>2,646,103</b>	6,321,532	<b>5,717,279</b>
<b>Total Liabilities</b>	<b>5,414,237</b>	<b>4,827,227</b>	2,951,775	<b>2,970,791</b>	8,366,012	<b>7,798,018</b>
Deferred Inflows of Revenue	620,360	<b>801,754</b>			620,360	<b>801,754</b>
<b>Net Position:</b>						
Net Investment in Capital Assets	11,504,038	<b>12,425,107</b>	4,137,157	<b>4,036,441</b>	15,641,195	<b>16,461,548</b>
Restricted for:					-	-
Emergencies	148,000	<b>171,000</b>			148,000	<b>171,000</b>
Capital Projects	283,010	<b>401,340</b>			283,010	<b>401,340</b>
Debt Service	61,692	<b>75,346</b>			61,692	<b>75,346</b>
Parks	804,652	<b>1,056,018</b>			804,652	<b>1,056,018</b>
Public Safety	170,471	<b>220,531</b>			170,471	<b>220,531</b>
Public Works	236,042	<b>533,304</b>			236,042	<b>533,304</b>
Ski Hi Park	269,762	<b>278,600</b>			269,762	<b>278,600</b>
Water Acquisition			42,582	<b>42,595</b>	42,582	<b>42,595</b>
Unrestricted	3,166,773	<b>3,782,831</b>	1,949,280	<b>2,245,301</b>	5,116,053	<b>6,028,132</b>
<b>Total Net Position</b>	<b>16,644,440</b>	<b>18,944,077</b>	6,129,019	<b>6,324,337</b>	22,773,459	<b>25,268,414</b>

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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A portion of the City's net position in the amount of \$2,778,734 represents resources that are subject to external restrictions. The remaining \$6,028,132 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. During the fiscal year ending December 31, 2022, the City of Monte Vista's net position increased by \$2,494,955 as a main result of the increased Net Investment in Capital Assets due to the Ski Hi Complex project. The total project cost is about \$8.6 million. For more information regarding this project, please refer to the next section on Analysis of Changes in Net Position and the Economic Factors and Next Year's Budgets section of the Management Discussion and Analysis report.

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

**Analysis of Changes in Net Position**

The City's combined net position for the governmental and business-type activities increased \$2,494,955 from 2021 to 2022. Of this total amount, governmental net position increased by \$2,299,637 and the business-type net position increased \$195,318. The City saw an increase in Sales Tax Revenue in the General Fund, Capital Fund, and Special Revenue Sales Tax Fund as a result of the additional One Cent Tax and increased spending within City limits. Increased spending can be attributed to the South Dakota v. Wayfair Supreme Court Ruling as well as increased spending in local businesses. However the main source of change is due to the new Ski Hi Complex construction.

In 2019, the voters of Monte Vista approved a one cent sales tax increase on all goods sold within City limits. With the approval of this tax, the City began collecting the tax on January 1, 2020. The sales tax is accounted for in a Special Revenue Fund titled the One Cent Sales Tax Fund. The additional sales tax is split among three departments. The three departments are Ski Hi for maintenance and operation receiving 40%, Public Works for street and sidewalk improvements receiving 35%, and Police for the addition of an officer and equipment receiving 25% of the tax annually.

In 2020, the City engaged with several community leaders and the Friends of Ski Hi, an ad-hoc committee of the Monte Vista Community Fund, to begin construction on the new Ski Hi Complex facility located on Sherman Avenue with completion of the project in 2022. The new facility serves as a one-of-a-kind conference center in the San Luis Valley, and allows for improvements to the City's indoor recreation programming. The events center side is approximately 34,250 square feet and provides space, as available, for recreational activities such as basketball, volleyball, and pickle ball. Along with recreational programming, the events center provides space for the annual 4-H Fair, Ag Conference, Crane Festival, and Stampede events, as well as attracting new events. The conference center side is about 16,700 square feet with a combined capacity in the large conference room and four smaller conference rooms of about 750 people. Along with the conference space, there is an industrial grade warming kitchen to offer the capabilities of catering for large events and conferences.

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

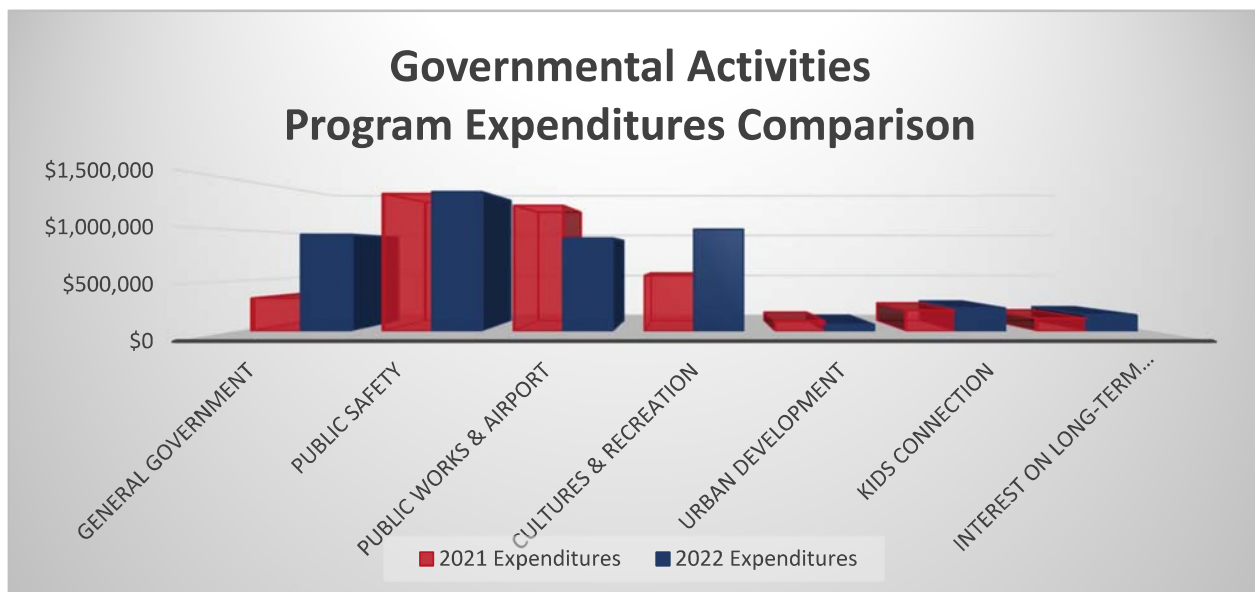
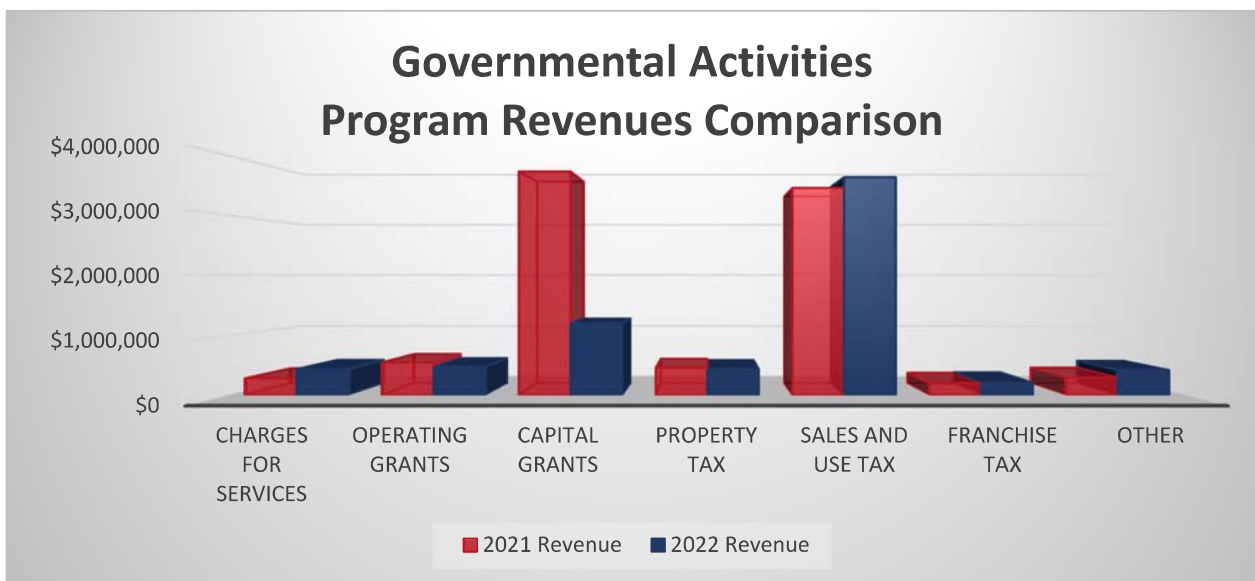
*Table 2 provides a summary of the changes in net position for the years 2021 and 2022. Additional information is presented in the Statement of Activities.*

	Governmental		Business-Type		Total	
	2021	2022	2021	2022	2021	2022
<b><u>Revenue:</u></b>						
<b>Program Revenue:</b>						
Charges for Services	282,256	436,398	2,116,682	2,327,302	2,398,938	2,763,700
Operating Grants and Contributions	546,606	471,467	81,949		628,555	471,467
Capital Grants and Contributions	3,735,184	1,206,302	56,844	26,375	3,792,028	1,232,677
<b>Sub Total Program Revenue</b>	<b>4,564,046</b>	<b>2,114,167</b>	<b>2,255,475</b>	<b>2,353,677</b>	<b>6,819,521</b>	<b>4,467,844</b>
<b>General Revenue:</b>						
Taxes						
General Property Taxes-net	458,696	433,086			458,696	433,086
Sales and Use Tax	3,460,717	3,639,049			3,460,717	3,639,049
Franchise Taxes	198,929	206,333			198,929	206,333
Other Taxes	6,232	221,593			6,232	221,593
Investment Income	4,155	16,436	2,551	9,769	6,706	26,205
Miscellaneous	619,046	116,267	7,979	22,245	627,025	138,512
(Loss)/Gain on Capital Assets Disposal	(335,975)	65,000			(335,975)	65,000
<b>Sub Total General Revenue:</b>	<b>4,411,800</b>	<b>4,697,764</b>	<b>10,530</b>	<b>32,014</b>	<b>4,422,330</b>	<b>4,729,778</b>
<b>Total Revenue:</b>	<b>8,975,846</b>	<b>6,811,931</b>	<b>2,266,005</b>	<b>2,385,691</b>	<b>11,241,851</b>	<b>9,197,622</b>
<b><u>Expenses:</u></b>						
General Government	327,165	955,281			327,165	955,281
Public Safety	1,358,763	1,378,458			1,358,763	1,378,458
Public Works and Airport	1,242,443	918,572			1,242,443	918,572
Culture and Recreation	552,277	1,006,264			552,277	1,006,264
Urban Development	98,123	63,596			98,123	63,596
Kids Connection	205,671	227,651			205,671	227,651
Interest on Long Term Debt	126,166	160,472	63,342		189,508	160,472
Water			832,484	892,377	832,484	892,377
Sewer			1,020,408	1,099,996	1,020,408	1,099,996
<b>Total Expenses:</b>	<b>3,910,608</b>	<b>4,710,294</b>	<b>1,916,234</b>	<b>1,992,373</b>	<b>5,826,842</b>	<b>6,702,667</b>
Increase (Decrease) in Net Position (Before Transfers)	5,065,238	2,101,637	349,771	393,318	5,415,009	2,494,955
<b><u>Transfers:</u></b>						
Transfers In (Out)	198,000	198,000	(198,000)	(198,000)	-	-
<b>Change in Net Position</b>	<b>5,263,238</b>	<b>2,299,637</b>	<b>151,771</b>	<b>195,318</b>	<b>5,415,009</b>	<b>2,494,955</b>
Net Assets - Beginning of Year	11,381,202	16,644,440	5,977,248	6,129,019	17,358,450	22,773,459
Net Assets - End of Year	16,644,440	18,944,077	6,129,019	6,324,337	22,773,459	25,268,414

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

**Governmental Activities**

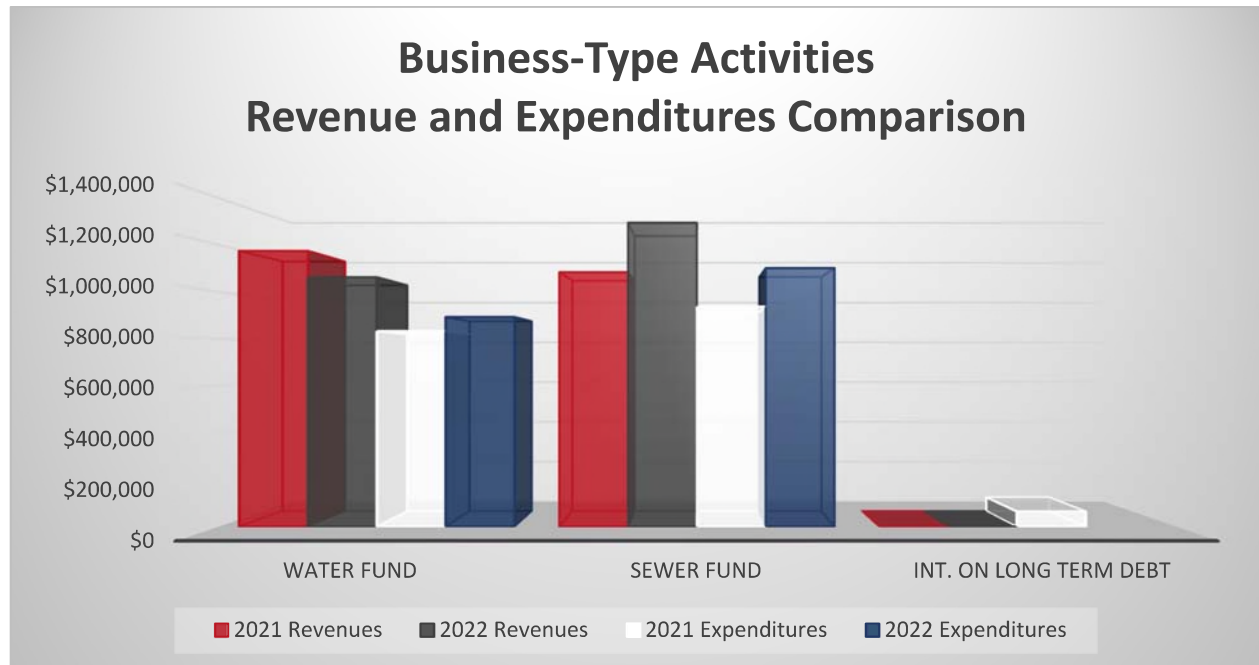
The City’s governmental activities have been accounted for in seven departmental categories, which are General Government, Public Safety, Public Works and Airport, Culture and Recreation, Urban/Economic Development, Kids Connection, and Interest on Long-Term Debt. Governmental activity expenses totaled \$4,710,294, which is an increase in expenditures from 2021 of \$799,686. Major expenses included in the governmental activities were \$1,378,458 for public safety and \$1,006,264 for culture and recreation. Expenditures in general government totaled \$955,281, public works totaled \$918,572, and Kids Connection totaled \$227,651. Other governmental expenditures included \$63,596 for urban development, and \$160,472 for interest on long-term debt. City funding for governmental activities was derived from \$2,114,167 in program revenue. The largest source of revenue is shown in sales and use taxes. General revenues totaled \$4,697,764. Governmental revenue decreased by \$2,163,915 compared to 2021. The main decrease is due to a reduction of grants and contributions related to the Ski Hi Complex project.



**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

**Business-Type Activities**

As mentioned earlier, business-type activities are funded in large part through the assignment of user fees imposed on external parties in exchange for services. Business-type activities net position at the end of 2022 increased \$195,318. Business-type activity expenditures totaled \$1,992,373 in 2022, which is an increase in expenditures compared to 2021 of \$76,139. Funding for business-type activities was derived from revenues totaling \$2,385,691, which is an increase of \$119,686 compared to 2021.



**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

The City of Monte Vista uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal and state requirements.

***Governmental Funds.*** The focus of the City’s governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the City’s financing requirements. In particular, fund balances may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City of Monte Vista include the General Fund, One Cent Sales Tax Fund, Capital Projects Fund, Capital Improvements Fund, and other non-major funds. As of the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$6,004,629, which is an increase of \$1,285,017 from the prior year ending fund balances. The City’s fund balances are classified based on the extent to which the City is bound to honor constraints for the specific purpose on which amounts in the fund can be spent. In accordance with GASB Statement No. 54, ***Fund Balance Reporting and Governmental Fund Type Definitions*** the fund balances for the City were classified in the following categories:

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

***Restricted Fund Balance*** – are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. As of December 31, 2022, the City's governmental funds reported a restricted fund balance of \$2,736,139. The majority of this fund balance is restricted for capital improvements and the One Cent Sales Tax Fund.

***Committed Fund Balance*** – are amounts that can only be used for specific purposes as a result of constraints imposed by the City Council. Committed amounts cannot be used for any other purpose unless the Council removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. The City's governmental funds reported a committed fund balance of \$22,149 as of December 31, 2022.

***Assigned Fund Balance*** – are amounts a government intend to use for a specific purpose; intent can be expressed by the City Council or by an official or body to which the governing body delegates the authority. The City's governmental funds reported an assigned fund balance of \$140,597 as of December 31, 2022, for the purpose of Kids Connection.

***Unassigned Fund Balance*** – are amounts that are available for any purpose; these amounts are reported in the General Fund or for negative fund balance. The City reported an unassigned fund balance of \$3,105,744 as of December 31, 2022 for all Governmental Funds.

***Revenue*** – Revenue in all governmental funds totaled \$6,746,931 in 2022. This is a decrease of \$2,529,487 compared to 2021. Of the total revenue received in 2022, \$4,342,051 was generated by tax revenue, Intergovernmental Revenue through the General Fund, Capital Projects Fund and Other Governmental Funds of \$899,953, and the other large portion coming from Contributions and Donations through the General Fund and the Capital Projects Fund \$867,892.

The General Fund is the primary operating governmental fund of the City. At the end of 2022, the fund balance for the General Fund was \$3,278,614, which is an increase of \$519,201 compared to the end of 2021. As of year-end, \$3,105,744 of the fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted under the assigned fund balance rules listed above.

The other Governmental Fund balances for 2022 totaled \$2,726,015. This includes the One Cent Sales Tax Fund with a balance of \$1,030,565, Capital Projects Fund with a balance of \$359,513, Capital Improvements Fund with a balance of \$1,073,268, and other Governmental Funds with a total balance of \$262,669. Funds included in the Other Governmental Funds include the Conservation Trust, Urban Renewal, Airport Grant Fund, and Kids Connection.

***Expenditures*** – The governmental funds expenditures decreased by \$4,790,155 from 2021. Total expenditures in 2022 were \$5,949,122. A combination of factors led to the decrease in expenditures from 2021 to 2022, which included the capital project completion of the Ski Hi Complex.

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

**Proprietary Funds** - The City's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. At December 31, 2022, the net position for the Water Fund was \$2,113,256; the net position of the Sewer Fund was \$4,211,081 for a combined total of \$6,324,337. This was an increase in fund balances from 2021 of \$195,318. At the end of the fiscal year, the unrestricted net position for the Water and Sewer Funds totaled \$2,245,301, net investment in capital assets totaled \$4,036,441 and the total for restricted net position was \$42,595, which is restricted to the acquisition of water rights.

**General Fund Budgetary Highlights**

The City of Monte Vista generally adopted a supplemental appropriation in order to allow for previously unforeseen events. Every attempt is made to relate the budget to both the short and long term goals of the City Council.

For 2022, the original adopted General Fund Budget had revenue of \$3,661,916 with one supplemental budget amendment increasing the revenue budget by \$585,567, which brought the final revenue budget to \$4,247,483. For expenditures the original adopted General Fund Budget was \$3,899,366 after the supplemental budget amendment the expenditures budget increased by \$567,053 which brought total budgeted expenditures to \$4,466,419. Neither revenue nor expenditures reflects resources that were transferred in or out of the General Fund. Actual expenditures in the General Fund totaled \$4,218,307 not including transfers out. The supplemental budget amendment was created to reflect transactions associated with the Ski Hi Complex and debt service.

**Capital Assets**

The City's capital assets for its governmental and business-type activities as of December 31, 2022 totaled \$22,817,633 (net of accumulated depreciation). This is a \$318,559 increase in capital assets mainly due to the completion of the Ski Hi Complex construction project, the start of the airport fuel farm project, the purchase of equipment, and entering into right-to-use leases for vehicles. Capital assets include land, water rights, buildings and improvements, water and sewer treatment plants, transmission and distribution, equipment, vehicles and right-to-use leased vehicles.

Major Capital Asset events during 2022 include the following:

- ❖ Governmental Activities
  - Construction in Progress (Airport Fuel Farm) - \$121,337
  - Buildings (Ski Hi Complex) - \$8,901,500
  - Improvements (Ski Hi Court Pavement & Chapman Park Playground) - \$81,039
  - Equipment and Vehicles - \$290,940
  - Right-to-use Lease Vehicles - \$210,625
- ❖ Proprietary Funds
  - Equipment and Vehicles - \$105,586
  - Right-to-use Lease Vehicles - \$183,096

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

*Table 3 provides a summary of the City's capital assets (net of accumulated depreciation). Additional information on the City of Monte Vista's capital assets can be found in Note 4 of the Basic Financial Statements.*

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Land	\$ 783,896	\$ 785,096	\$ 22,000	\$ 22,000	\$ 805,896	\$ 807,096
Construction in Progress	8,648,396	126,981			8,648,396	126,981
Water Rights			948,120	948,120	948,120	948,120
Buildings & Improvements	2,066,007	10,881,610	98,163	93,552	2,164,170	10,975,162
Infrastructure	1,068,949	1,013,575			1,068,949	1,013,575
Improvements-Other	2,018,738	1,896,473			2,018,738	1,896,473
W/S Treatment Plant			398,897	377,630	398,897	377,630
Transmission & Distrib.			5,290,846	5,006,204	5,290,846	5,006,204
Equipment & Vehicles	1,023,951	1,105,331	131,111	199,424	1,155,062	1,304,755
Right-to-Use Lease Vehicles		197,043		164,594	-	361,637
	\$ 15,609,937	\$ 16,006,109	\$ 6,889,137	\$ 6,811,524	\$ 22,499,074	\$ 22,817,633

### Debt Administration

At year-end, the City of Monte Vista's long-term liabilities totaled \$6,477,156. Of this amount, \$3,663,405 relates to governmental activities and \$2,813,751 relates to business-type activities.

Bonds payable include the Series 2018 Sales Tax Revenue refunding and Improvement Bonds payable to Branch Banking and Trust Company with an outstanding debt of \$1,433,352. The purpose of the original Series 2008 bonds was to provide paving and resurfacing of streets, provide curb and gutter and surface drainage, sidewalk improvements and such other related improvements. These bonds were refunded in 2018 and are scheduled to be paid in full in 2028.

Outstanding notes payable include a note with the Colorado Water Resource and Power Development Authority to fund water chlorination system improvements in the amount of \$225,764, a note with the Colorado Water Conservation Board to purchase water rights with an advanced payment of \$1,504,144, and a note for Sewage Treatment Project with Colorado Water Resource and Power Development Authority in the amount of \$872,882.

The City has entered into finance purchases with San Luis Valley Federal Bank for repairs and maintenance of the building, to purchase equipment, and construction of the Ski Hi Complex, with a current balance at year-end 2022 for the governmental and proprietary funds of \$1,941,095 and \$28,518, respectively.

The City entered into a master lease agreement with Enterprise Fleet Management for vehicles used by the public works department and the police department, with a current balance at year-end 2022 for the governmental and proprietary funds of \$206,555 and 143,804, respectively.

The City of Monte Vista's total long-term liabilities decreased by \$474,652 during 2022. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

**Economic Factors and Next Year's Budgets**

The City's 2023 Budget includes important features that will maintain current operating status of service provided, purchase new and necessary capital assets in several of the funds, and make important improvements to the City's infrastructure.

In 2023, the City of Monte Vista will continue to provide the following services to the community:

- Parks Development & Maintenance
- Police & Public Safety Services
- Water Services
- Waste Water Treatment
- Sewer Services
- Recreation Programming
- Kids Connection Youth Programing
- Business Licensing
- Municipal Court
- Municipal Airport Oversight & Management

Property values remain fairly constant with marginal increases anticipated in 2023. Adjustments to property taxes as prescribed by the State continue to be mostly a wash from the revenue side. Sales and property tax are the leading revenue sources for the General Fund and it is anticipated that City Sales Tax revenues will continue to reflect growth into 2023. Due to the South Dakota vs. Wayfair Supreme Court ruling, the City of Monte Vista continues to benefit from the addition of sales tax revenue being collected through online vendors. The San Luis Valley's agriculture industry gives us optimism that the City of Monte Vista's economy will hold trend and continue to grow at a steady and stable rate.

Labor continues to increase as we strive to remain a competitive employer. Employee health care costs continue to erode the City's operational capability and the City anticipated a 7% increase in the budget for 2023. The Monte Vista Police Department participates in the FPPA pension plan with a budgeted employer match on base earnings of 9.5% for 2023.

In the coming years, the City will be faced with the task of building a new mechanical treatment plant for their waste water system and treatment. Current project estimates reflect a total cost of \$30 million. Financing for this will take place through various avenues to include rate increases for services provided, debt-service, grants, and matching funds. The City will continue taking necessary steps in 2023 to begin addressing the monetary concerns regarding this project. The City has contracted with Element Engineering to assist with the implementation of the Master Plan and Rate Study associated with this project.

Long-term sustainability of the San Luis Valley's agriculture industry remains a concern due to the ongoing water issues and groundwater regulations. The City continues to keep an eye on the effects of this and what it will have on the local economy. The completion of the Ski Hi Complex project, renamed Outcalt Event and Conference Center at SLV Ski Hi Complex, has increased opportunities for added business and new developments for the City. The City remains hopeful that new development and business, along with tourism, will continue to boost sales tax revenues within the City. Currently, revenue reports of 2023 indicate we are on budgetary track in regards to sales tax revenues.

**CITY OF MONTE VISTA, COLORADO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2022**

The City continues to take a conservative approach in their budgeting and operational fiscal cycles with careful monitoring over revenues and expenditures on a monthly basis. By exercising mid-year amendment practices to the budget, we are able to better prepare and adjust for any outside factors that could potentially affect revenues and expenditures.

**Requests for Information**

This financial report is designed to provide you with a general overview of the City of Monte Vista's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

City of Monte Vista  
Gigi Dennis-Lounsbury, City Manager  
Anita Kinsey, Finance Director  
95 W. First Ave. Monte Vista, Colorado 81144  
719-852-2692

**CITY OF MONTE VISTA, COLORADO**

**BASIC FINANCIAL STATEMENTS**

**CITY OF MONTE VISTA, COLORADO**  
**STATEMENT OF NET POSITION**  
**December 31, 2022**

	<u>Primary Government</u>		<u>TOTAL</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<b>ASSETS</b>			
Cash and investments	\$ 5,842,703	\$ 1,861,691	\$ 7,704,394
Restricted cash and investments	375,451	42,595	418,046
Property taxes receivable	426,383	-	426,383
Accounts receivable	124,084	98,554	222,638
Due from other governments	812,363	23,578	835,941
Inventory	-	79,186	79,186
Prepaid water storage, net of accumulated amortization	-	378,000	378,000
Capital assets, not being depreciated	912,077	970,120	1,882,197
Capital assets, net of accumulated depreciation/amortization	15,094,032	5,841,404	20,935,436
Net pension asset	711,086	-	711,086
<b>TOTAL ASSETS</b>	<u>24,298,179</u>	<u>9,295,128</u>	<u>33,593,307</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	274,879	-	274,879
<b>LIABILITIES</b>			
Accounts payable	107,218	114,183	221,401
Accrued liabilities	122,644	22,912	145,556
Accrued interest	13,850	19,945	33,795
Unearned revenue - grants	920,110	-	920,110
Long-term liabilities			
Due within one year	592,229	167,648	759,877
Due in more than one year	3,071,176	2,646,103	5,717,279
<b>TOTAL LIABILITIES</b>	<u>4,827,227</u>	<u>2,970,791</u>	<u>7,798,018</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property tax	426,383	-	426,383
Pension	375,371	-	375,371
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>801,754</u>	<u>-</u>	<u>801,754</u>
<b>NET POSITION</b>			
Net investment in capital assets	12,425,107	4,036,441	16,461,548
Restricted for emergencies	171,000	-	171,000
Restricted for parks	58,096	-	58,096
Restricted for public safety	220,531	-	220,531
Restricted for public works	533,304	-	533,304
Restricted for capital projects	1,399,262	-	1,399,262
Restricted for debt service	75,346	-	75,346
Restricted for Ski Hi Park	278,600	-	278,600
Restricted for water acquisition	-	42,595	42,595
Unrestricted	3,782,831	2,245,301	6,028,132
<b>TOTAL NET POSITION</b>	<u>\$ 18,944,077</u>	<u>\$ 6,324,337</u>	<u>\$ 25,268,414</u>

The accompanying notes are an integral part of this financial statement.



**CITY OF MONTE VISTA, COLORADO**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2022**

	GENERAL FUND	ONE CENT SALES TAX FUND	CAPITAL PROJECTS FUNDS	CAPITAL IMPROVEMENTS FUNDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>						
Cash and investments	\$ 3,774,465	\$ 928,166	\$ -	\$ 883,522	\$ 256,550	\$ 5,842,703
Restricted cash and investments	1,870	-	298,235	75,346	-	375,451
Property tax receivable	426,383	-	-	-	-	426,383
Accounts receivable	124,084	-	-	-	-	124,084
Due from other governments	421,031	114,400	72,588	114,400	89,944	812,363
Due from other funds	48,117	-	-	-	-	48,117
<b>TOTAL ASSETS</b>	<b>\$ 4,795,950</b>	<b>\$ 1,042,566</b>	<b>\$ 370,823</b>	<b>\$ 1,073,268</b>	<b>\$ 346,494</b>	<b>\$ 7,629,101</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 82,352	\$ 8,849	\$ 11,310	\$ -	\$ 4,707	\$ 107,218
Accrued liabilities	113,614	3,152	-	-	5,878	122,644
Due to other funds	-	-	-	-	48,117	48,117
Unearned revenue - grants	894,987	-	-	-	25,123	920,110
<b>TOTAL LIABILITIES</b>	<b>1,090,953</b>	<b>12,001</b>	<b>11,310</b>	<b>-</b>	<b>83,825</b>	<b>1,198,089</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property tax	426,383	-	-	-	-	426,383
<b>FUND BALANCE</b>						
Nonspendable	-	-	-	-	-	-
Restricted	172,870	1,030,565	359,513	1,073,268	99,923	2,736,139
Committed	-	-	-	-	22,149	22,149
Assigned	-	-	-	-	140,597	140,597
Unassigned	3,105,744	-	-	-	-	3,105,744
<b>TOTAL FUND BALANCE</b>	<b>3,278,614</b>	<b>1,030,565</b>	<b>359,513</b>	<b>1,073,268</b>	<b>262,669</b>	<b>6,004,629</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 4,795,950</b>	<b>\$ 1,042,566</b>	<b>\$ 370,823</b>	<b>\$ 1,073,268</b>	<b>\$ 346,494</b>	<b>\$ 7,629,101</b>

The accompanying notes are an integral part of this financial statement.

**CITY OF MONTE VISTA, COLORADO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO THE STATEMENT OF NET POSITION**  
**December 31, 2022**

**Total governmental fund balances** \$ 6,004,629

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

Capital assets and leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. 16,006,109

Some assets were not received in the current period and, therefore, are not reported in the funds. This is the amount of the FPPA net pension assets. 711,086

Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.

FPPA 274,879

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bond payable	(1,433,352)	
Financed purchases	(1,941,095)	
Leases	(206,555)	
Accrued interest payable	(13,850)	
Compensated absences	(82,403)	
		(3,677,255)

Certain amounts related to the plan are deferred and amortized over time. These are not reported in the funds.

FPPA (375,371)

**Net position of governmental activities** \$ 18,944,077

**CITY OF MONTE VISTA, COLORADO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2022**

	GENERAL FUND	ONE CENT SALES TAX FUND	CAPITAL PROJECTS FUNDS	CAPITAL IMPROVEMENTS FUNDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>						
Taxes	\$ 2,986,843	\$ 677,604	\$ -	\$ 677,604	\$ -	\$ 4,342,051
Intergovernmental revenue	344,112	-	152,319	-	403,522	899,953
Licenses and permits	16,284	-	-	-	-	16,284
Charges for services	213,619	-	-	-	1,321	214,940
Fines and forfeits	45,607	-	-	-	-	45,607
Investment and interest income	10,818	-	2,525	3,060	33	16,436
Contributions	502,430	49,995	275,231	-	40,236	867,892
Miscellaneous revenue	234,618	9,150	100,000	-	-	343,768
<b>TOTAL REVENUES</b>	<b>4,354,331</b>	<b>736,749</b>	<b>530,075</b>	<b>680,664</b>	<b>445,112</b>	<b>6,746,931</b>
<b>EXPENDITURES</b>						
Current:						
General government	801,542	-	-	-	-	801,542
Public safety	1,351,633	86,638	-	-	-	1,438,271
Public works and airport	724,169	2,990	9,518	-	24,044	760,721
Culture and recreation	524,701	222,445	5	-	1,278	748,429
Urban/economic development	-	-	-	-	10,018	10,018
Kids connection	-	-	-	-	227,651	227,651
Capital outlay	263,931	167,976	508,221	-	116,046	1,056,174
Debt service	552,331	38,274	-	315,711	-	906,316
<b>TOTAL EXPENDITURES</b>	<b>4,218,307</b>	<b>518,323</b>	<b>517,744</b>	<b>315,711</b>	<b>379,037</b>	<b>5,949,122</b>
Excess (deficiency) revenues over expenditures	136,024	218,426	12,331	364,953	66,075	797,809
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	243,000	-	107,806	-	23,430	374,236
Transfers out	(11,297)	-	-	(119,939)	(45,000)	(176,236)
Sale of fixed assets	65,000	-	-	-	-	65,000
Lease proceeds	86,474	137,734	-	-	-	224,208
<b>TOTAL OTHER SOURCES (USES)</b>	<b>383,177</b>	<b>137,734</b>	<b>107,806</b>	<b>(119,939)</b>	<b>(21,570)</b>	<b>487,208</b>
Net change in fund balances	519,201	356,160	120,137	245,014	44,505	1,285,017
<b>Fund balance, beginning of year</b>	<b>2,759,413</b>	<b>674,405</b>	<b>239,376</b>	<b>828,254</b>	<b>218,164</b>	<b>4,719,612</b>
<b>Fund balance, end of year</b>	<b>\$ 3,278,614</b>	<b>\$ 1,030,565</b>	<b>\$ 359,513</b>	<b>\$ 1,073,268</b>	<b>\$ 262,669</b>	<b>\$ 6,004,629</b>

The accompanying notes are an integral part of this financial statement.

**CITY OF MONTE VISTA, COLORADO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2022**

**Net change in fund balances - total governmental funds** \$ 1,285,017

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the activity in capital assets in the current period.

Capital Asset Additions	\$ 1,015,744	
Depreciation Expense	(619,571)	
		396,173

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The bond premium provides a current financial resource to governmental funds, but must be capitalized and amortized over the life of the bonds in the government-wide financial statements.

Lease Proceeds	(224,208)	
Bond Payments	214,316	
Finance Purchases Payments	517,135	
Lease Payments	17,652	
		524,895

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(17,448)	
Accrued Interest Payable	(3,259)	
		(20,707)

Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension expenditures.

FPPA		114,259
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**Change in net position of governmental activities** \$ 2,299,637

**CITY OF MONTE VISTA, COLORADO**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2022**

	<b>WATER FUND</b>	<b>SEWER FUND</b>	<b>TOTAL PROPRIETARY FUNDS</b>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 874,012	\$ 734,011	\$ 1,608,023
Restricted cash	42,595	-	42,595
Accounts receivable	22,508	76,046	98,554
Due from other governments	(611)	24,189	23,578
Inventory	72,150	7,036	79,186
Total current assets	<u>1,010,654</u>	<u>841,282</u>	<u>1,851,936</u>
Noncurrent assets			
Investments - long-term	126,834	126,834	253,668
Prepaid water storage, net of accumulated amortization	378,000	-	378,000
Capital assets, not being depreciated	959,120	11,000	970,120
Capital assets, net of accumulated depreciation	1,517,176	4,324,228	5,841,404
Total noncurrent assets	<u>2,981,130</u>	<u>4,462,062</u>	<u>7,443,192</u>
<b>TOTAL ASSETS</b>	<u>3,991,784</u>	<u>5,303,344</u>	<u>9,295,128</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	13,548	100,635	114,183
Accrued liabilities	9,999	12,913	22,912
Accrued interest	19,945	-	19,945
Compensated absences, current portion	2,598	2,814	5,412
Loans payable, current portion	45,522	69,831	115,353
Finance purchases, current portion	3,434	3,434	6,868
Leases payable, current portion	19,930	20,086	40,016
Total current liabilities	<u>114,976</u>	<u>209,713</u>	<u>324,689</u>
Noncurrent liabilities			
Compensated absences	16,539	16,717	33,256
Loans payable	1,684,386	803,022	2,487,408
Finance purchases	10,825	10,825	21,650
Leases	51,802	51,986	103,788
Total noncurrent liabilities	<u>1,763,552</u>	<u>882,550</u>	<u>2,646,102</u>
<b>TOTAL LIABILITIES</b>	<u>1,878,528</u>	<u>1,092,263</u>	<u>2,970,791</u>
<b>NET POSITION</b>			
Net investment in capital assets	660,397	3,376,044	4,036,441
Restricted for water acquisition	42,595	-	42,595
Unrestricted	1,410,264	835,037	2,245,301
<b>TOTAL NET POSITION</b>	<u>\$ 2,113,256</u>	<u>\$ 4,211,081</u>	<u>\$ 6,324,337</u>

The accompanying notes are an integral part of this financial statement.

**CITY OF MONTE VISTA, COLORADO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2022**

	<b>WATER FUND</b>	<b>SEWER FUND</b>	<b>TOTAL PROPRIETARY FUNDS</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,046,409	\$ 1,280,893	\$ 2,327,302
Miscellaneous revenues	21,876	369	22,245
Total operating revenues	<u>1,068,285</u>	<u>1,281,262</u>	<u>2,349,547</u>
<b>OPERATING EXPENSES</b>			
Operations and maintenance	722,847	805,762	1,528,609
Depreciation and amortization	106,214	291,299	397,513
Total operating expenses	<u>829,061</u>	<u>1,097,061</u>	<u>1,926,122</u>
Operating income (loss)	<u>239,224</u>	<u>184,201</u>	<u>423,425</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Grant revenue	-	-	-
Investment income	7,391	2,378	9,769
Interest expense	(63,316)	(2,935)	(66,251)
Total nonoperating revenues (expenses)	<u>(55,925)</u>	<u>(557)</u>	<u>(56,482)</u>
Income before capital contribution and operating transfers	<u>183,299</u>	<u>183,644</u>	<u>366,943</u>
<b>CAPITAL CONTRIBUTIONS</b>			
Tap fees	15,050	11,325	26,375
Total capital contributions	<u>15,050</u>	<u>11,325</u>	<u>26,375</u>
<b>OPERATING TRANSFERS</b>			
Transfers in	-	-	-
Transfers out	(99,000)	(99,000)	(198,000)
Total operating transfers	<u>(99,000)</u>	<u>(99,000)</u>	<u>(198,000)</u>
Change in net position	99,349	95,969	195,318
<b>Net position, beginning of year</b>	<u>2,013,907</u>	<u>4,115,112</u>	<u>6,129,019</u>
<b>Net position, end of year</b>	<u><u>\$ 2,113,256</u></u>	<u><u>\$ 4,211,081</u></u>	<u><u>\$ 6,324,337</u></u>

The accompanying notes are an integral part of this financial statement.

**CITY OF MONTE VISTA, COLORADO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2022**

	<b>WATER FUND</b>	<b>SEWER FUND</b>	<b>TOTAL PROPRIETARY FUNDS</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,094,972	\$ 1,264,068	\$ 2,359,040
Cash payments to suppliers for goods and services	(344,856)	(414,068)	(758,924)
Cash payments to employees	(361,258)	(377,826)	(739,084)
Net cash provided (used) by operating activities	<u>388,858</u>	<u>472,174</u>	<u>861,032</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers (to) from other funds	(99,000)	(99,000)	(198,000)
Net cash provided (used) by noncapital financing activities	<u>(99,000)</u>	<u>(99,000)</u>	<u>(198,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase and construction of capital assets	(64,788)	(58,684)	(123,472)
Capital contributions	15,050	11,325	26,375
Principal paid on long-term liabilities	(61,130)	(86,745)	(147,875)
Interest paid on long-term liabilities	(84,352)	(2,935)	(87,287)
Net cash provided (used) by capital and related financing activities	<u>(195,220)</u>	<u>(137,039)</u>	<u>(332,259)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	6,700	1,687	8,387
Net cash provided (used) by investing activities	<u>6,700</u>	<u>1,687</u>	<u>8,387</u>
Net increase (decrease) in cash and cash equivalents	101,338	237,822	339,160
<b>Cash and cash equivalents, beginning of year</b>	<u>815,269</u>	<u>496,189</u>	<u>1,311,458</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 916,607</u>	<u>\$ 734,011</u>	<u>\$ 1,650,618</u>
<b>OPERATING INCOME (LOSS)</b>			
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	\$ 239,224	\$ 184,201	\$ 423,425
Depreciation and amortization expense	106,214	291,299	397,513
Changes in assets and liabilities			
(Increase) decrease in accounts receivable	7,161	(285)	6,876
(Increase) decrease in due from other governments	19,526	(16,909)	2,617
(Increase) decrease in inventory	18,045	57	18,102
(Increase) decrease in prepaid expense	(4,450)	-	(4,450)
Increase (decrease) in accounts payable	1,047	8,108	9,155
Increase (decrease) in accrued liabilities	(2,534)	635	(1,899)
Increase (decrease) in compensated absences	4,625	5,068	9,693
Net cash provided (used) by operating activities	<u>\$ 388,858</u>	<u>\$ 472,174</u>	<u>\$ 861,032</u>
<b>SUPPLEMENTAL DISCLOSURES</b>			
Reconciliation to the statement of net position			
Cash and cash equivalents	\$ 874,012	\$ 734,011	\$ 1,608,023
Restricted cash	42,595	-	42,595
	<u>\$ 916,607</u>	<u>\$ 734,011</u>	<u>\$ 1,650,618</u>
Noncash investing, capital, and noncapital financing			
Lease liability for the acquisition of right-to-use asset	<u>\$ 85,319</u>	<u>\$ 85,659</u>	<u>\$ 170,978</u>

The accompanying notes are an integral part of this financial statement.

**CITY OF MONTE VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF OPERATIONS**

The City of Monte Vista (the “City”) was incorporated July 19, 1886 and was reorganized as a home-rule municipality under Article 20 of the Colorado Constitution on March 22, 1922. The City is governed by a council-manager form of government through a Mayor and four-member City Council elected by the residents. The City, authorized through its charter, provides the following services: public safety, public works, water, sanitation, culture & recreation, public improvements, planning and zoning, airport operations, economic development and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the City’s more significant accounting policies follows.

**REPORTING ENTITY**

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

***Monte Vista Urban Renewal Authority***

The Monte Vista Urban Renewal Authority (the “URA”) was created to redevelop or rehabilitate certain blighted areas within City limits. The URA has a separate governing board with members appointed by the City Council. Although the URA is legally separate from the City, the URA’s primary revenue source comes from the City and the City has operational and management responsibilities. The URA does not issue separate financial statements and is blended in the City’s financial statements as a special revenue fund.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges or interfund services that are reasonably equivalent to the services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports all financial, capital and debt resources of the City. The difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources of the City is reported as net position.

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

**CITY OF MONTE VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

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

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

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

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

Taxes, intergovernmental revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Grants and similar items are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the City.

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

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

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

The City reports the following major governmental funds in the fund financial statements:

- The *General Fund* – The General Fund is used to account for the general operations and specific programs of the City.
- The *One Cent Sales Tax Fund* – The One Cent Sales Tax Fund accounts for the City’s voter approved 1% sales tax collected, beginning in 2020, for the purposes of (1) improving roads; (2) providing additional police officers and upgrading equipment for the police department; and (3) to maintain the Ski Hi Complex and improve the City’s recreation programming. Voters approved allocations as follows: 40% to Ski Hi Complex and recreation programming; 35% to Public Works; and 25% to the Police Department.
- The *Capital Projects Fund* – The Capital Projects Fund accounts for construction projects budgeted and approved by the City, which are funded by grants, donations and transfers from other funds.

**CITY OF MONTE VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

- The *Capital Improvements Fund* – The Capital Improvements Fund accounts for the ½ of the City’s 2% sales tax collected for the purposes of capital maintenance, capital outlay and repayment of the 2008 sales tax revenue bonds.

The City reports the following major proprietary funds:

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

**ASSETS, LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

***Cash and Investments***

Cash equivalents include investments with original maturities of three months or less. Pooled cash and investments are considered cash equivalents. Negative balances in pooled cash and investments at year end are reported as Due to/from Other Funds. Investments are reported at fair value.

***Due to/from Other Funds***

During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as due to/from other funds.

***Grants, Other Governments and Accounts Receivable***

Grants, other governments and accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

***Inventory***

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies for the Water and Sewer Funds. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

***Prepaid Expenses***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

***Capital Assets***

Capital assets, which include property, plant, buildings and related improvements, equipment, vehicles, and all infrastructure (streets, bridges, underground drainage pipe, traffic signals, etc.) owned by the City, are reported in the applicable government-wide or business-type activities columns of the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, and infrastructure of the City are depreciated/amortized using the straight-line method over the following estimated useful lives.

**CITY OF MONTE VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

<b>Capital Asset Classes</b>	<b>Years</b>
Building	15-50
Improvements - Building	15-40
Improvements - Other	10-40
Infrastructure	15-50
Water and Sewer Treatment Plants	15-40
Transmission and Distribution Systems	5-40
Equipment and Vehicles	5-15
Right-to-Use Lease Assets:	
Vehicles	4-5 years

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the balance sheet - governmental funds and statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement classification represents an acquisition of fund balance or net position that applies to a future period and therefore will not be recognized as an outflow of resources (expenses) until then. The City has items related to the participation in the FPPA pension plan that are reported as deferred outflows of resources at year end.

In addition to liabilities, the statement of financial position – governmental activities and the balance sheet – governmental funds report a separate section for deferred inflows of resources. This separate financial statement classification represents an acquisition of fund balance or net position that applies to future periods and therefore will not be recognized as an inflow of resources (revenue) until then. The City has an item related to property taxes levied in the current year to be collected in the following year and items related to its participation in the FPPA pension plans that are reported as deferred inflows of resources at year end.

***Leases***

Lessee: The City recognizes a lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease terms, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

**CITY OF MONTE VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

- The lease term include the noncancellable period of the leases. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Previously recorded leases have been renamed as financed purchase lease agreements, in accordance with GASB statement No. 87, *Leases*.

***Compensated Absences***

Employees of the City are eligible for vacation beginning with their first pay period. They earn between 40 and 168 hours of vacation time each year, based on years of service. Employees may accrue a maximum of 160 hours, once the maximum is accrued, no additional leave is accrued. Employees will be paid for all accrued vacation time at their current pay rate upon separation of employment.

Employees are allowed to accumulate sick leave up to a maximum of 240 hours. However, unused sick leave will not be paid upon separation of employment. Therefore, no liability for accumulated sick time is reported in the financial statements. Accrued vacation time is recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability is reported in the government-wide financial statements for the accrued vacation time.

***Long-Term Obligations***

In the government-wide financial statements, and the proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position. In the governmental fund financial statements the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the year of the debt issuance. In the government-wide and proprietary funds, debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

***Net Position***

In the government-wide and proprietary fund financial statements, net position is restricted when constraints placed on the net position are externally imposed.

- *Net Investment in Capital Assets* – this classification is intended to report the portion of net position which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.
- *Restricted Net Position* – this classification includes liquid assets which have third party limitations on their use.
- *Unrestricted Net Position* – this classification includes the residual net position that does not meet the classification of “net investment in capital assets” or “restricted.”

***Fund Balance***

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which

**CITY OF MONTE VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact.
- *Restricted* – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City had classified emergency reserves as being restricted because State statute requires this restriction. In addition, the City had restricted amounts because of certain State statutes, bond and loan documents and third party restrictions.
- *Committed* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority, the City Council. The constraint may be removed or changed only through formal action of the City Council.
- *Assigned* – This classification includes amounts that are constrained by the City’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the City Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts.
- *Unassigned* – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

	General Fund	One Cent Sales Tax Fund	Capital Projects Fund	Capital Improvements Fund	Total Nonmajor Funds	Total Governmental Funds
Restricted						
Emergencies	\$ 171,000	\$ -	\$ -	\$ -	\$ -	\$ 171,000
Parks	-	-	-	-	58,096	58,096
Public Safety	1,870	218,660	-	-	-	220,530
Public Works	-	533,304	-	-	-	533,304
Capital Projects	-	-	359,513	997,922	41,827	1,399,262
Debt Service	-	-	-	75,346	-	75,346
Ski Hi Park	-	278,601	-	-	-	278,601
	<u>172,870</u>	<u>1,030,565</u>	<u>359,513</u>	<u>1,073,268</u>	<u>99,923</u>	<u>2,736,139</u>
Committed						
Economic Development	-	-	-	-	22,149	22,149
Assigned						
Kids Connection	-	-	-	-	140,597	140,597
Unassigned	<u>3,105,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,105,744</u>
Total Fund Balance	<u><u>\$3,278,614</u></u>	<u><u>\$1,030,565</u></u>	<u><u>\$ 359,513</u></u>	<u><u>\$ 1,073,268</u></u>	<u><u>\$ 262,669</u></u>	<u><u>\$ 6,004,629</u></u>

**CITY OF MONTE VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

The City has not established a formal policy for its use of restricted and unrestricted fund balance. However, if both the restricted and unrestricted fund balances are available the City uses restricted fund balance first, followed by committed, assigned and unassigned.

***Property Taxes***

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer’s Office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are reported at December 31.

***Pensions***

The City participates in the Fire and Police Statewide Defined Benefit Plan (“SWDB Plan”) and the Fire and Police Statewide Defined Hybrid Plan (“SWH Plan”) administered by the Fire and Police Pension Association of Colorado (“FPPA”). The net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the fiduciary net position of the SWDB Plan and SWH Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Use of Estimates***

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Reclassifications***

Certain amounts from the prior year have been reclassified for current year financial statement presentation.

***New Accounting Pronouncement***

During fiscal year 2022, the City adopted the provisions of GASB Statement No. 87, *Leases*, that establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. The standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Under the statement, a lessee is required to recognize a lease liability and a tangible right to use asset, and a lesser is required to recognize a lease receivable, and a deferred inflows of resources. The beginning net position was not restated as a result of the implementation of this standard.

**NOTE 2 CASH, DEPOSITS, AND INVESTMENTS**

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

Petty Cash	\$ 560
Cash Deposits	6,968,437
Investments	1,153,443
Total	\$ 8,122,440

**CITY OF MONTE VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

Cash is reported in the financial statements as follows:

Cash and Investments	\$ 7,704,394
Restricted Cash and Investments	418,046
Total	\$ 8,122,440

***Cash and Deposits***

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2022, the City had bank deposits totaling \$7,025,963 of which \$967,228 were FDIC insured, and \$6,058,735 were collateralized with securities held by the financial institutions' agents but not in the City's name.

***Investments***

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

	2022
COLOTRUST	
PRIME and PLUS+	\$ 1,153,443
EDGE	-
Total	\$ 1,153,443

The City invested in the Colorado Government Liquid Asset Trust (COLOTRUST) (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1, except for COLOTRUST EDGE, which strives to obtain a net asset value of \$10/share. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+ and COLOTRUST EDGE. The portfolios may invest in U.S. Treasury and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ and COLOTRUST EDGE may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as the safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ have a weighted average maturity of 60 days or less and are rated AAAM by Standard and Poor's and COLOTRUST EDGE has a weighted average maturity beyond 60 days and is rated AAAs/S1 by FitchRatings. COLOTRUST records its investments at fair value and the City records its investments in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

***Interest Rate Risk***

State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

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***Restricted Cash and Investments***

Restricted cash and investments for the Governmental Funds consist of unspent police seizure funds and surcharges of \$1,870 in the General Fund; \$298,235 of unspent capital projects funds in the Capital Projects Fund, and \$75,346 for future debt service requirements in the Capital Improvements Fund. The Water Fund restricted \$42,595, by ordinance, for water acquisition in the Fund.

**NOTE 3 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS**

Interfund receivable and payable balances at December 31, 2022, consisted of the following:

Interfund Receivable	Interfund Payable	Amount
General Fund	Grant Fund	\$ 48,117

The interfund receivable at December 31, 2022 resulted from a negative pooled cash balance in the Grants Fund to be recovered from grant reimbursements recorded as due from other governments.

Interfund transfers for the year ended December 31, 2022, consisted of the following:

Transfers In	Transfers Out	Amount
General Fund	Water	\$ 99,000
	Sewer	99,000
	Conservation Trust	45,000
Urban Renewal Authority	General	11,297
Grants	Capital Improvements	12,134
Capital Projects	Capital Improvements	107,806
	TOTALS	\$ 374,237

During the year ended December 31, 2022, transfers to the General Fund were reimbursements for administrative costs, including payments in lieu of taxes from the Water and Sewer Funds as well as reimbursement by the Conservation Trust Fund for park expenditures. The General Fund transferred funds to the Urban Renewal Authority to subsidize operations in this fund. The Capital Improvements Fund transferred to the Grants Fund and Capital Projects Fund to cover the City's share of project expenditures.

**CITY OF MONTE VISTA, COLORADO**  
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**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2022, is summarized below:

<b><i>Governmental Activities</i></b>	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
Capital assets not being depreciated				
Land	\$ 783,896	\$ 1,200	\$ -	\$ 785,096
Construction in progress	8,648,396	380,085	8,901,500	126,981
Total capital assets not being depreciated	<u>9,432,292</u>	<u>381,285</u>	<u>8,901,500</u>	<u>912,077</u>
Capital assets being depreciated				
Buildings and improvements	4,382,921	8,906,535	86,782	13,202,674
Infrastructure	3,814,753	46,820	-	3,861,573
Improvements- other	4,367,493	81,039	-	4,448,532
Equipment and vehicles	3,384,066	290,940	-	3,675,006
Right-to-use lease assets:				
Vehicles	-	210,625	-	210,625
Total capital assets being depreciated	<u>15,949,233</u>	<u>9,535,959</u>	<u>86,782</u>	<u>25,398,410</u>
Less accumulated depreciation/amortization for				
Buildings and improvements	2,316,914	90,932	86,782	2,321,064
Infrastructure	2,745,804	102,194	-	2,847,998
Improvements- other	2,348,755	203,304	-	2,552,059
Equipment and vehicles	2,360,115	209,560	-	2,569,675
Right-to-use lease assets:				
Vehicles	-	13,582	-	13,582
Total accumulated depreciation/amortization	<u>9,771,588</u>	<u>619,572</u>	<u>86,782</u>	<u>10,304,378</u>
Total capital assets being depreciated, net	<u>6,177,645</u>	<u>8,916,387</u>	<u>-</u>	<u>15,094,032</u>
Governmental activities capital assets, net	<u>\$ 15,609,937</u>	<u>\$ 9,297,672</u>	<u>\$ 8,901,500</u>	<u>\$ 16,006,109</u>

Depreciation/amortization expense was charged to the governmental activities of the primary government as follows:

<b><i>Governmental activities:</i></b>	
General government	\$ 136,292
Public safety	54,446
Public works and airport	157,851
Culture and recreation	217,405
Urban/economic development	53,578
Total depreciation/amortization expense	<u>\$ 619,572</u>

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	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022
<b><i>Business-type Activities:</i></b>				
Capital assets not being depreciated				
Land	\$ 22,000	\$ -	\$ -	\$ 22,000
Water rights	948,120	-	-	948,120
Total capital assets not being depreciated	<u>970,120</u>	<u>-</u>	<u>-</u>	<u>970,120</u>
Capital assets being depreciated				
Buildings and improvements	154,997	-	-	154,997
Water and sewer treatment plants	4,814,840	-	-	4,814,840
Transmission and distribution systems	9,536,284	5,767	-	9,542,051
Equipment and vehicles	791,085	105,586	-	896,671
Right-to-use lease assets:				
Vehicles	-	183,096	-	183,096
Total Capital Assets being depreciated	<u>15,297,206</u>	<u>294,449</u>	<u>-</u>	<u>15,591,655</u>
Less accumulated depreciation/amortization				
Buildings and improvements	56,834	4,611	-	61,445
Water and sewer treatment plants	4,415,943	21,267	-	4,437,210
Transmission and distribution systems	4,245,438	290,409	-	4,535,847
Equipment and vehicles	659,974	37,273	-	697,247
Right-to-use lease assets:				
Vehicles	-	18,502	-	18,502
Total accumulated depreciation	<u>9,378,189</u>	<u>372,062</u>	<u>-</u>	<u>9,750,251</u>
Total capital assets being depreciated, net	<u>5,919,017</u>	<u>(77,613)</u>	<u>-</u>	<u>5,841,404</u>
Business-type activities capital assets, net	<u>\$ 6,889,137</u>	<u>\$ (77,613)</u>	<u>\$ -</u>	<u>\$ 6,811,524</u>

Depreciation/amortization expense was charged to the business-type activities of the primary government as follows:

<b><i>Business-type activities:</i></b>	
Water services	\$ 80,764
Sewer services	291,298
Total depreciation/amortization expense	<u>\$ 372,062</u>

**NOTE 5 PREPAID WATER STORAGE**

The City entered into a contract with San Luis Valley Irrigation District in September 2010 for a 30 year lease of water storage in the amount of \$630,000. The City made two installment payments of \$100,000 and \$530,000 in 2010 and 2014, respectively. The prepaid water storage will be amortized over the 30 year life of the agreement, at \$21,000 per year. As of December 31, 2022, the balance of the prepaid water storage, net of accumulated amortization was \$378,000.

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**NOTE 6 LONG-TERM LIABILITIES**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2022.

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022	Due Within One Year
<i>Governmental activities:</i>					
2018 bond refunding	\$ 1,647,668	\$ -	\$ 214,316	\$ 1,433,352	\$ 221,723
Finance purchases	2,458,230	-	517,135	1,941,095	300,367
Leases	-	224,207	17,652	206,555	64,614
Accrued compensated absences	64,955	17,448	-	82,403	5,525
Total governmental activities	<u>\$ 4,170,853</u>	<u>\$ 241,655</u>	<u>\$ 749,103</u>	<u>\$ 3,663,405</u>	<u>\$ 592,229</u>
<i>Business-type activities:</i>					
Loans Payable	\$ 2,716,808	\$ -	\$ 114,047	\$ 2,602,761	\$ 115,353
Finance purchases	35,172	-	6,654	28,518	6,868
Leases	-	170,976	27,172	143,804	40,015
Accrued compensated absences	28,975	9,693	-	38,668	5,412
Total business-type activities	<u>\$ 2,780,955</u>	<u>\$ 180,669</u>	<u>\$ 147,873</u>	<u>\$ 2,813,751</u>	<u>\$ 167,648</u>

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

***Sales Tax Revenue Refunding Bond, Series 2018***

During the year ended December 31, 2018, the City refunded Sales Tax Revenue Refunding and Improvements Bonds, Series 2008 with the issuance of Sales Tax Revenue Refunding Note, Series 2018 in the amount of \$2,458,365 with interest at 3.19% per annum. The maturity date did not change from December 1, 2028. The refunding created net present value savings of \$126,836. The old debt was called and paid in full (current refunding), the day following the refunding. The note is secured by a first lien on ½ of the City's 2% sales tax. Principal and Interest are due semi-annually on June 1 and December 1 through December 1, 2028. Interest accrues at a rate of 3.19% per annum. During the year ended December 31, 2022, pledged revenues derived from the dedicated 1% sales taxes totaling \$649,967 were available to pay debt service of \$266,876.

Following is a schedule of future minimum payments required under the bond as of December 31, 2022:

	Principal	Interest	Total
2023	\$ 221,723	\$ 45,724	\$ 267,447
2024	228,906	38,650	267,556
2025	235,858	31,349	267,207
2026	242,571	23,825	266,396
2027	249,040	16,087	265,127
2028	255,254	8,143	263,397
	<u>\$ 1,433,352</u>	<u>\$ 163,778</u>	<u>\$ 1,597,130</u>

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***Finance Purchases***

Ski Hi Complex – the City financed the construction and completion of the Ski Hi Complex in 2021 through a lease purchase agreement with San Luis Valley Federal Bank (SLVFB) in the amount of \$2,500,000. The contract bears interest at a rate of 2.946% per annum, with annual base rental payments of \$290,001, beginning December 1, 2021 through December 1, 2030. Payments are made from the General Fund. Capital assets totaling \$8,901,500 are reported as construction in progress in governmental activities at December 31, 2022. Additional principal payments were made in 2022. The balance at December 31, 2022 was \$1,602,918.

Energy Performance Contract – the City financed repairs and maintenance related to the contract in 2013 through a lease purchase agreement with SLVFB in the amount of \$321,977. The contract bears interest at a rate of 3.35%. Payments are made from the General Fund, beginning February 1, 2013 through February 1, 2028. Capital assets totaling \$190,729 with a net book value of \$73,052 are reported in the governmental activities. The balance at December 31, 2022 was \$160,391.

Heavy Equipment – the City purchased a motor grader, loader, and a backhoe in 2016 through a lease purchase agreement with SLVFB in the amount of \$439,972. The contract bears interest at a rate of 3.03%, with annual base rental payments of \$56,785, beginning December 1, 2018 through December 31, 2026. Payments are made from the Capital Improvement Fund (86%), the Water Fund (7%), and the Sewer Fund (7%). Capital assets totaling \$417,797 with a net book value of \$165,888 are reported in the governmental activities and capital assets totaling \$32,924 with a net book value of \$13,169 are reported in the business-type activities. The balance at December 31, 2022 was \$209,126

Following is a schedule of future minimum payments required under the outstanding finance purchases at December 31, 2022.

*Governmental activities*

	Principal	Interest	Total
2023	\$ 300,367	\$ 66,774	\$ 367,141
2024	318,293	49,604	367,897
2025	328,704	39,993	368,697
2026	337,708	30,064	367,772
2027	301,431	19,809	321,240
2028-2029	354,592	11,992	366,584
	<u>\$ 1,941,095</u>	<u>\$ 218,236</u>	<u>\$ 2,159,331</u>

*Business-type activities*

	Principal	Interest	Total
2023	\$ 6,868	\$ 870	\$ 7,738
2024	7,075	662	7,737
2025	7,291	448	7,739
2026	7,284	227	7,511
	<u>\$ 28,518</u>	<u>\$ 2,207</u>	<u>\$ 30,725</u>

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***Leases***

The City entered into a master lease agreement with Enterprise Fleet Management in 2022 for vehicles used by public works department and the police department. Throughout the year, nine vehicles were obtained with interest rates ranging from 4.708% to 6.342%, for 48-60 months. Payments are made from the General Fund, One Cent Fund, Water Fund, and Sewer Fund. Capital assets totaling \$224,207 with a net book value of \$210,625 are reported in the governmental activities and capital assets totaling \$183,096 with a net book value of \$164,594 are reported in the business-type activities. In addition, the City has guaranteed a residual value of \$17,699 in the governmental activities and \$10,963 in the business-type activities at December 31, 2022.

The future minimum lease payments to maturity for the leases payable at December 31, 2022 are as follows:

	<i>Governmental activities</i>	<i>Business-type activities</i>
2023	\$ 64,614	\$ 40,015
2024	64,614	40,015
2025	64,614	40,015
2026	40,556	40,015
2027	-	13,910
Total minimum lease payments	234,398	173,970
Less: interest	(27,843)	(30,166)
Present value of future minimum lease payments	\$ 206,555	\$ 143,804

***Loans Payable***

2010 Water Loan – the City entered into a \$1,693,770 loan agreement with the Colorado Water Conservation Board (CWCB) for acquisition of water rights and water storage. Principal and interest payments are due annually over a 30-year period beginning September 1, 2019 through September 1, 2048. Interest accrues at 4% per annum.

2011 Water Loan – the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA), in the principal amount of \$400,000, for construction and improvements to the water distribution system. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2042. The loan is non-interest bearing.

The 2010 and 2011 water loans are payable solely from revenues of the City’s water utility system, after deducting operation and maintenance costs. During the year ended December 31, 2022, net revenues of \$347,713 were available to pay annual debt service of \$105,688. Remaining debt service at December 31, 2022 was \$2,672,633.

2015 Sewer Loan – the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA), in the principal amount of \$1,396,612, for construction of the City’s sewer system expansion project. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2035. The loan is non-interest bearing.

This 2015 sewer loan is payable solely from revenues of the City’s sewer utility system, after deducting operation and maintenance costs. During the year ended December 31, 2022, net revenues of \$478,268 were available to pay annual debt service of \$69,831. Remaining debt service at December 31, 2022 was \$872,883.

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The following is a schedule of the future minimum loan payments required under the loans payable as of December 31, 2022:

	Principal	Interest	Total
2023	\$ 115,353	\$ 60,166	\$ 175,519
2024	116,711	58,808	175,519
2025	118,123	57,396	175,519
2026	119,591	55,927	175,518
2027	121,119	54,400	175,519
2028-2032	630,729	246,864	877,593
2033-2037	504,615	198,402	703,017
2038-2042	383,212	139,440	522,652
2043-2047	402,849	67,703	470,552
2048	90,459	3,620	94,079
	\$ 2,602,761	\$ 942,726	\$ 3,545,487

**NOTE 7 PUBLIC ENTITY RISK POOL**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the City is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the City does not approve budgets nor does it have the ability to significantly affect the operations of the entity.

**NOTE 8 PENSION PLANS**

***Defined Contribution Plan***

The City contributes to a single employer defined contribution money purchase pension plan on behalf of its full time employees, except for sworn police officers. The contribution requirements of Plan participants and the City are established and may be amended by the City Council. The Plan is administered by MissionSquare Retirement. The City is required to contribute 0.5% of each participant's covered payroll. Employees are not required to contribute to the plan. For the year ended December 31, 2022, the City recognized pension expense of \$3,968, net of forfeitures used as contributions of \$3,181. Employees become 100% vested in the City's contributions and earnings after five years of service. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are either used to cover a portion of the pension plan's administrative expenses or are returned to the City. For the year

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ended December 31, 2022, the City reported returned forfeitures in the amount of \$3,181, were used as City contributions.

***457 Deferred Compensation Plan***

The City has a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan is administered by MissionSquare Retirement. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary until future years. Effective January 1, 2015, the City will match up to 3% of the participating employee's contributions to the plan. For the year ended December 31, 2022, the City contributed \$41,735 to the plan.

***Police Officers Statewide Defined Benefit Pension Plan (SWDB) and Statewide Hybrid Plan (SWH)***

City Sworn Police Officers – Beginning January 1, 2019, the City ended its participation in the single employer defined contribution money purchase pension plan administered by MissionSquare Retirement. The City transferred the pension assets into the Colorado Fire & Police Pension Authority's (FPPA) Statewide Hybrid Plan for the existing police officers. New hires, after January 1, 2019, are required to participate in the FPPA Statewide Defined Benefit Plan. Description and disclosures of these plans follow:

Plan description

The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan. The Statewide Hybrid Plan (SWH) is a cost-sharing multiple-employer combination defined benefit and money purchase pension plan. The Plans are 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>.

Description of benefits

*SWDB plan* – 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. As of January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary 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 currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated 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 Clinical 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' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

*SWH Plan* – The plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service.

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The average normal pension of the Defined Benefit Component is 1.5 percent of the average of the member's highest three years' pensionable earnings for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0 to 3 percent.

A member is eligible for early retirement within the Defined Benefit Component 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, a member may elect to have all contributions, along with 5 percent interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' pensionable earnings for each year of credited service.

Contributions

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

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 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.

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 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 SWDB Plan from the Town were \$37,696 for the year ended December 31, 2022.

*SWH Plan* – The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of the SWH plan and their employers are currently each contributing at a rate determined by the individual employer, however, the rate for both employer and members must be at least equal to 8 percent of the member's pensionable earnings. The 2022 contribution rates for both the member and employer were both 10%. The amount allocated to the Defined Benefit Component is set annually by the FPPA Board of Directors. Excess contributions fund the Money Purchase Component of the Plan.

Effective July 1, 2021 the Defined Benefit Component contribution rate is set at 14.10 percent. Members and the City each contributed \$20,055 in 2022.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service to be 100 percent vested after 5 years of service. Employer and member contributions are invested in funds at the discretion of the members.

Basis of Presentation

The underlying financial information used to prepare the Schedule of Employers Contributions and the Schedule of Collective Pension Amounts is based on FPPA's financial statements. FPPA follows the accounting principles and

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reporting guidelines as set for the by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of the FPPA.

Pension Assets or 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 \$281,552 for its proportionate share of the net pension asset of the SWDB Plan and a net pension asset of \$429,534 for its proportionate share of the net pension asset of the SWH Plan.

The net pension assets were measured as of December 31, 2021, and the total pension liability used to calculate the net pension assets were determined by an actuarial valuation as of January 1, 2022. The City's proportion of the net pension assets were based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating members, actuarially determined. At December 31, 2021, the City's SWDB proportion was 0.0519 percent. At December 31, 2021, the City's SWH proportion was 1.1327 percent.

For the year ended December 31, 2022, the City recognized pension (income)/expense for the SWDB Plan and SWH Plan of (\$74,456) and (\$39,803), respectively.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to SWDB Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 80,623	\$ 6,567
Changes of assumptions or other inputs	40,151	-
Net difference between projected and actual earnings	-	188,431
Change in proportionate share	-	38,445
Contributions subsequent to the measurement date	37,697	-
Total	<u>\$ 158,471</u>	<u>\$ 233,443</u>

\$37,697 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease (increase) of the net pension liability (asset) in the subsequent fiscal 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>	
2022	\$ (30,464)
2023	(49,955)
2024	(30,245)
2025	(12,122)
2026	11,741
Thereafter	<u>(1,624)</u>
	<u>\$ (112,669)</u>

**CITY OF MONTE VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to SWH Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 85,785	\$ -
Changes of assumptions or other inputs	10,567	-
Net difference between projected and actual earnings	-	121,682
Change in proportionate share	-	20,246
Contributions subsequent to the measurement date	20,056	-
<b>Total</b>	<b>\$ 116,408</b>	<b>\$ 141,928</b>

The City's contributions to the SWH Plan subsequent to the measurement date of \$20,056 will be recognized as a decrease to the net pension liability in the subsequent fiscal 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>	
2022	\$ 1,395
2023	(14,392)
2024	(17,806)
2025	(13,276)
2026	(801)
Thereafter	(696)
	<u>\$ (45,576)</u>

Actuarial assumptions

The actuarial valuations for the SWDB Plan and the SWH Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
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*	7.00%	7.00%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%	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 for the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and projected prospectively using the ultimate rates of the scale for all

**CITY OF MONTE VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

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. 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:

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

The discount rate used to measure the total pension liability (asset) 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 Plans 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 (asset).

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

**CITY OF MONTE VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

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

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Proportionate share of SWDB net pension liability/(asset)	<u>\$ (38,828)</u>	<u>\$ (281,552)</u>	<u>\$ (482,636)</u>
Proportionate share of SWH net pension liability/(asset)	<u>\$ (327,753)</u>	<u>\$ (429,534)</u>	<u>\$ (514,516)</u>

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado annual comprehensive financial report, which may be obtained at <http://www.fppaco.org>.

**NOTE 9 COMMITMENTS AND CONTINGENCIES**

***Tabor Amendment***

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the “Amendment”), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the City.

Revenue in excess of the fiscal spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

The City’s management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation. In November 1997, voters within the City authorized the City to collect, retain and expend all revenues and other funds in excess of the revenue limitations of the Amendment.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2022, the emergency reserve of \$171,000 was reported as restricted fund balance in the General Fund.

The URA is not subject to the Amendment. See: *Marian L. Olson v. City of Golden, et. al.* 53 P.3d 747 (Co. App.), certiorari denied.

***Penalty Assessment***

The Colorado Department of Public Health & Environment assessed an \$80,000 penalty related to non-compliance with the City’s permit for the City’s sewer lagoons. The City was unable to mitigate this assessment and paid the assessment in March 2023.

**CITY OF MONTE VISTA, COLORADO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2022**

***Claims and Judgments***

The City participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2022, significant amounts of grant expenses have not been audited, but management believes that subsequent audits will not have a material effect on the overall financial position of the City.

***Construction Commitment***

During 2022, the City began construction on a fuel farm at the airport funded by a \$350,000 grant from the Colorado Department of Transportation Division of Aeronautics. At December 31, 2022, approximately \$230,000 was remaining on this contract.

## **CITY OF MONTE VISTA, COLORADO**

### **REQUIRED SUPPLEMENTARY INFORMATION**

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund, and if applicable, each of the City's major special revenue funds. In addition, pension plan contributions and the City's proportionate share of the net pension liabilities (assets) are required to supplement the basic financial statements.

**CITY OF MONTE VISTA, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**

**For the Year Ended December 31, 2022**

**With Comparative Actual Totals for the Year Ended December 31, 2021**

	2022			2021	
	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL		(NEGATIVE)	ACTUAL
<b>REVENUES</b>					
Taxes	\$ 2,710,515	\$ 2,710,515	\$ 2,986,843	\$ 276,328	\$ 2,824,640
Intergovernmental	256,290	352,504	344,112	(8,392)	257,856
Licenses and permits	11,288	11,288	16,284	4,996	13,122
Charges for service	200,831	225,455	213,619	(11,836)	197,295
Fines and forfeitures	81,081	50,181	45,607	(4,574)	68,315
Interest income	6,815	6,815	10,818	4,003	3,611
Contributions	290,000	500,000	502,430	2,430	505,304
Miscellaneous	105,096	229,125	234,618	5,493	105,774
<b>TOTAL REVENUES</b>	<b>3,661,916</b>	<b>4,085,883</b>	<b>4,354,331</b>	<b>268,448</b>	<b>3,975,917</b>
<b>EXPENDITURES</b>					
Current:					
General government	813,184	844,850	801,542	43,308	748,791
Public safety	1,416,050	1,415,285	1,351,633	63,652	1,315,783
Public works and airport	575,364	700,637	724,169	(23,532)	521,413
Culture and recreation	522,469	604,709	524,701	80,008	353,900
Capital outlay	255,000	341,600	263,931	77,669	33,550
Debt service	317,299	559,338	552,331	7,007	531,137
<b>TOTAL EXPENDITURES</b>	<b>3,899,366</b>	<b>4,466,419</b>	<b>4,218,307</b>	<b>248,112</b>	<b>3,504,574</b>
Excess (deficiency) revenues over expenditures	(237,450)	(380,536)	136,024	516,560	471,343
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	243,000	243,000	243,000	-	243,000
Transfers out	(5,550)	(6,590)	(11,297)	(4,707)	(28,450)
Sale of capital assets	-	65,000	65,000	-	31,205
Loan proceeds	-	96,600	86,474	(10,126)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>237,450</b>	<b>398,010</b>	<b>383,177</b>	<b>(14,833)</b>	<b>245,755</b>
Net change in fund balance	-	17,474	519,201	501,727	717,098
<b>Fund balance, beginning of year</b>	<b>-</b>	<b>-</b>	<b>2,759,413</b>	<b>2,759,413</b>	<b>2,042,315</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 17,474</b>	<b>\$ 3,278,614</b>	<b>\$ 3,261,140</b>	<b>\$ 2,759,413</b>

See notes to the required supplementary information.

**CITY OF MONTE VISTA, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**ONE CENT SALES TAX FUND**  
**For the Year Ended December 31, 2022**  
**With Comparative Actual Totals for the Year Ended December 31, 2021**

	<u>2022</u>			<u>2021</u>	
	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>POSITIVE (NEGATIVE)</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
Taxes	\$ 614,702	\$ 614,702	\$ 677,604	\$ 62,902	\$ 649,967
Contributions	-	-	49,995	49,995	-
Miscellaneous	-	-	9,150	9,150	1,811
<b>TOTAL REVENUES</b>	<u>614,702</u>	<u>614,702</u>	<u>736,749</u>	<u>122,047</u>	<u>651,778</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Public safety	88,675	79,312	86,638	(7,326)	70,009
Public works and airport	-	-	2,990	(2,990)	97,175
Culture and recreation	137,881	137,881	222,445	(84,564)	300,789
Capital outlay	368,146	475,454	167,976	307,478	61,428
Debt service	-	46,955	38,274	8,681	-
<b>TOTAL EXPENDITURES</b>	<u>594,702</u>	<u>739,602</u>	<u>518,323</u>	<u>221,279</u>	<u>529,401</u>
Excess (deficiency) revenues over expenditures	<u>20,000</u>	<u>(124,900)</u>	<u>218,426</u>	<u>343,326</u>	<u>122,377</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Lease proceeds	-	144,900	137,734	(7,166)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>144,900</u>	<u>137,734</u>	<u>(7,166)</u>	<u>-</u>
Net Change in fund balance	20,000	20,000	356,160	336,160	122,377
<b>Fund balance, beginning of year</b>	<u>-</u>	<u>-</u>	<u>674,405</u>	<u>674,405</u>	<u>552,028</u>
<b>Fund balance, end of year</b>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 1,030,565</u>	<u>\$ 1,010,565</u>	<u>\$ 674,405</u>

See notes to the required supplementary information.

**CITY OF MONTE VISTA, COLORADO**  
**SCHEDULE OF THE PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**FPPA - STATEWIDE DEFINED BENEFIT PLAN - POLICE**  
**For the Years Ended December 31,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability (asset)	0.05195%	0.04300%	0.03480%
City's proportionate share of the net liability (asset)	\$ (281,552)	\$ (93,345)	\$ (19,680)
City's covered payroll	\$ 418,848	\$ 418,234	\$ 300,889
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-67.22%	-22.32%	-6.54%
Plan fiduciary net position as a percentage of the total pension liability	116.20%	106.70%	101.94%

NOTE: The city is required to report 10 years of information in this schedule. However, the City entered the FPPA SWDB plan in 2019, therefore no prior years information is available.

**See notes to the required supplementary information.**

**CITY OF MONTE VISTA, COLORADO**  
**SCHEDULE OF CONTRIBUTIONS**  
**FPPA - STATEWIDE DEFINED BENEFIT PLAN - POLICE**  
**For the Years Ended December 31,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 37,696	\$ 35,550	\$ 26,770
Contributions in relation to the contractually required contribution	<u>(37,696)</u>	<u>(35,550)</u>	<u>(26,770)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 418,848	\$ 418,234	\$ 300,889
Contributions as a percentage of covered payroll	9.00%	8.50%	8.90%

NOTE: The city is required to report 10 years of information in this schedule. However, the City entered the FPPA SWDB plan in 2019, therefore no prior years information is available.

**See notes to the required supplementary information.**

**CITY OF MONTE VISTA, COLORADO**  
**SCHEDULE OF THE PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**FPPA - STATEWIDE HYBRID PLAN - DEFINED BENEFIT COMPONENT - POLICE**  
**For the Years Ended December 31,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability (asset)	1.1327%	1.0826%	1.0471%
City's proportionate share of the net pension liability (asset)	\$ (429,534)	\$ (297,778)	\$ (203,913)
City's covered payroll	\$ 200,548	\$ 191,785	\$ 177,129
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-214.18%	-155.27%	-115.12%
Plan fiduciary net position as a percentage of the total pension liability	149.01%	138.00%	130.06%

NOTE: The city is required to report 10 years of information in this schedule. However, the City entered the FPPA SWH plan in 2019, therefore no prior years information is available.

**See notes to the required supplementary information.**

**CITY OF MONTE VISTA, COLORADO**  
**SCHEDULE OF CONTRIBUTIONS**  
**FPPA - STATEWIDE HYBRID PLAN - DEFINED BENEFIT COMPONENT - POLICE**  
**For the Years Ended December 31,**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 20,055	\$ 19,178	\$ 17,713
Contributions in relation to the contractually required contribution	<u>(20,055)</u>	<u>(19,178)</u>	<u>(17,713)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 200,548	\$ 191,785	\$ 177,129
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%

NOTE: The city is required to report 10 years of information in this schedule. However, the City entered the FPPA SWH plan in 2019, therefore no prior years information is available.

**See notes to the required supplementary information.**

**CITY OF MONTE VISTA, COLORADO**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended December 31, 2022**

**NOTE 1 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgets are legally adopted for all funds of the City. A budget is not presented for the Urban Renewal Authority Fund, a component unit. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and long-term debt principal are budgeted as expenditures and depreciation is not budgeted.

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

- In September, Management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer and public comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Budgets amended by the City Council during the year have been presented in the budgetary comparison schedules for each fund amended.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures must be approved by the City Council.
- All budget appropriations lapse at year end.

**Stewardship** – Expenditures in the Kids Connection Fund exceeded budgeted appropriations by \$2,585 in 2022. This may be a violation of Colorado Revised Statutes.

**NOTE 2 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS**

*2021* There were no changes in assumptions or other inputs effective this measurement period.

*2020*

- Pre-retirement mortality assumptions were changed to 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 mortality assumptions were changed to 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 mortality assumptions were changed to 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.

*2019* There were no changes in assumptions or other inputs effective this measurement period.

*2018*

- The assumed investment rate of return was lowered from 7.50% to 7.00%
- Inflation rate was decreased from 3.00% to 2.50%.
- Pre-retirement mortality assumptions were changed to the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55% multiplier for off-duty mortality.
- Post-retirement mortality assumptions were changed for ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

# **CITY OF MONTE VISTA, COLORADO**

## **SUPPLEMENTARY INFORMATION**

The combining financial statements represent the second level of financial reporting for the City. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

**CITY OF MONTE VISTA, COLORADO  
NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expend for particular purposes.

***Conservation Trust Fund*** – This fund is used to account for the City’s share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

***Urban Renewal Authority Fund*** – This fund is used to account for the activities of the Urban Renewal Authority, a blended component unit of the City.

***Kids Connection Fund*** – This fund is used to account for afterschool and summer day camp programs that is licensed by the State of Colorado.

***Grants Fund*** – This fund is used to account for improvements to the City’s municipal airport.

**CITY OF MONTE VISTA, COLORADO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2022**

	<b>SPECIAL REVENUE FUNDS</b>				
	<b>URBAN</b>				
	<b>CONSERVATION TRUST FUND</b>	<b>RENEWAL AUTHORITY FUND</b>	<b>KIDS CONNECTION FUND</b>	<b>GRANTS FUND</b>	<b>TOTAL NONMAJOR GOVERNMENTAL</b>
<b>ASSETS</b>					
Cash and investments	\$ 58,096	\$ 22,627	\$ 175,827	\$ -	\$ 256,550
Restricted cash and investments	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other governments	-	-	-	89,944	89,944
<b>TOTAL ASSETS</b>	<b>\$ 58,096</b>	<b>\$ 22,627</b>	<b>\$ 175,827</b>	<b>\$ 89,944</b>	<b>\$ 346,494</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 478	\$ 4,229	\$ -	\$ 4,707
Accrued liabilities	-	-	5,878	-	5,878
Due to other funds	-	-	-	48,117	48,117
Unearned grant revenue	-	-	25,123	-	25,123
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>478</b>	<b>35,230</b>	<b>48,117</b>	<b>83,825</b>
<b>FUND BALANCE</b>					
Restricted	58,096	-	-	41,827	99,923
Committed	-	22,149	-	-	22,149
Assigned	-	-	140,597	-	140,597
<b>TOTAL FUND BALANCE</b>	<b>58,096</b>	<b>22,149</b>	<b>140,597</b>	<b>41,827</b>	<b>262,669</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 58,096</b>	<b>\$ 22,627</b>	<b>\$ 175,827</b>	<b>\$ 89,944</b>	<b>\$ 346,494</b>

**CITY OF MONTE VISTA, COLORADO**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2022**

	<b>SPECIAL REVENUE FUNDS</b>				<b>TOTAL NONMAJOR GOVERNMENTAL</b>
	<b>CONSERVATION TRUST FUND</b>	<b>URBAN RENEWAL AUTHORITY FUND</b>	<b>KIDS CONNECTION FUND</b>	<b>GRANTS FUND</b>	
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	54,382	-	222,991	126,149	403,522
Charges for services	-	-	1,321	-	1,321
Investment and interest income	33	-	-	-	33
Contributions	-	-	40,236	-	40,236
<b>TOTAL REVENUE</b>	<b>54,415</b>	<b>-</b>	<b>264,548</b>	<b>126,149</b>	<b>445,112</b>
<b>EXPENDITURES</b>					
Current:					
Public works and airport	-	-	-	24,044	24,044
Culture and recreation	-	1,278	-	-	1,278
Urban/economic development	-	10,018	-	-	10,018
Kids connection	-	-	227,651	-	227,651
Capital outlay	-	-	-	116,046	116,046
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>11,296</b>	<b>227,651</b>	<b>140,090</b>	<b>379,037</b>
Excess (deficiency) of revenues over expenditures	54,415	(11,296)	36,897	(13,941)	66,075
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	11,296	-	12,134	23,430
Transfers out	(45,000)	-	-	-	(45,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(45,000)</b>	<b>11,296</b>	<b>-</b>	<b>12,134</b>	<b>(21,570)</b>
Net change in fund balances	9,415	-	36,897	(1,807)	44,505
<b>Fund balance, beginning of year</b>	<b>48,681</b>	<b>22,149</b>	<b>103,700</b>	<b>43,634</b>	<b>218,164</b>
<b>Fund balance, end of year</b>	<b>\$ 58,096</b>	<b>\$ 22,149</b>	<b>\$ 140,597</b>	<b>\$ 41,827</b>	<b>\$ 262,669</b>

**CITY OF MONTE VISTA, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**CONSERVATION TRUST FUND**  
**For the Year Ended December 31, 2022**  
**With Comparative Actual Totals for the Year Ended December 31, 2021**

	<u>2022</u>		<u>2021</u>		
	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
			<u>POSITIVE</u>	<u>ACTUAL</u>	
			<u>(NEGATIVE)</u>		
<b>REVENUES</b>					
Intergovernmental revenue					
State lottery	\$ 45,000	\$ 45,000	\$ 54,382	\$ 9,382	\$ 49,930
Investment income	-	-	33	33	-
<b>TOTAL REVENUES</b>	<u>45,000</u>	<u>45,000</u>	<u>54,415</u>	<u>9,415</u>	<u>49,930</u>
<b>EXPENDITURES</b>					
Current:					
Culture and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues over expenditures	<u>45,000</u>	<u>45,000</u>	<u>54,415</u>	<u>9,415</u>	<u>49,930</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	<u>(45,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>	<u>(45,000)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(45,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>	<u>(45,000)</u>
Net change in fund balance	-	-	9,415	9,415	4,930
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>48,681</u>	<u>48,681</u>	<u>43,751</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,096</u>	<u>\$ 58,096</u>	<u>\$ 48,681</u>

**CITY OF MONTE VISTA, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**URBAN RENEWAL AUTHORITY FUND**  
**For the Year Ended December 31, 2022**  
**With Comparative Actual Totals for the Year Ended December 31, 2021**

	<u>2022</u>		<u>2021</u>		
	<u>BUDGETED AMOUNTS</u>		<u>VARIANCE WITH</u>		
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>FINAL BUDGET</u>	
			<u>POSITIVE</u>	<u>ACTUAL</u>	
			<u>(NEGATIVE)</u>		
<b>REVENUES</b>					
Intergovernmental revenue	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)	\$ 20,086
Miscellaneous revenue	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>	<u>20,086</u>
<b>EXPENDITURES</b>					
Current:					
Culture and recreation	1,250	1,825	1,278	547	1,076
Urban/economic development	104,300	104,765	10,018	94,747	44,279
Capital outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>105,550</u>	<u>106,590</u>	<u>11,296</u>	<u>95,294</u>	<u>45,355</u>
Excess (deficiency) revenues over expenditures	<u>(5,550)</u>	<u>(6,590)</u>	<u>(11,296)</u>	<u>(4,706)</u>	<u>(25,269)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	<u>5,550</u>	<u>6,590</u>	<u>11,296</u>	<u>4,706</u>	<u>28,450</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>5,550</u>	<u>6,590</u>	<u>11,296</u>	<u>4,706</u>	<u>28,450</u>
Net change in fund balance	-	-	-	-	3,181
<b>Fund balance, beginning of year</b>	<u>-</u>	<u>-</u>	<u>22,149</u>	<u>22,149</u>	<u>18,968</u>
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,149</u>	<u>\$ 22,149</u>	<u>\$ 22,149</u>

**CITY OF MONTE VISTA, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**KIDS CONNECTION FUND**  
**For the Year Ended December 31, 2022**  
**With Comparative Actual Totals for the Year Ended December 31, 2021**

	<u>2022</u>			<u>2021</u>	
	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>POSITIVE (NEGATIVE)</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
Intergovernmental revenue	\$ 191,576	\$ 222,091	\$ 222,991	\$ 900	\$ 80,580
Charges for services	-	1,051	1,321	270	3,524
Contribution	45,428	45,428	40,236	(5,192)	120,713
Miscellaneous revenue	-	15,000	-	(15,000)	-
<b>TOTAL REVENUES</b>	<u>237,004</u>	<u>283,570</u>	<u>264,548</u>	<u>(19,022)</u>	<u>204,817</u>
<b>EXPENDITURES</b>					
Current:					
Kids connection	<u>237,004</u>	<u>225,066</u>	<u>227,651</u>	<u>(2,585)</u>	<u>205,671</u>
<b>TOTAL EXPENDITURES</b>	<u>237,004</u>	<u>225,066</u>	<u>227,651</u>	<u>(2,585)</u>	<u>205,671</u>
Net change in fund balance	-	58,504	36,897	(21,607)	(854)
<b>Fund balance, beginning of year</b>	<u>-</u>	<u>-</u>	<u>103,700</u>	<u>103,700</u>	<u>104,554</u>
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ 58,504</u>	<u>\$ 140,597</u>	<u>\$ 82,093</u>	<u>\$ 103,700</u>

**CITY OF MONTE VISTA, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GRANTS FUND**

**For the Year Ended December 31, 2022**  
**With Comparative Actual Totals for the Year Ended December 31, 2021**

	<u>2022</u>			<u>2021</u>	
	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
				<u>POSITIVE</u>	<u>ACTUAL</u>
				<u>(NEGATIVE)</u>	
<b>REVENUES</b>					
Intergovernmental revenue	\$ -	\$ 350,000	\$ 126,149	\$ (223,851)	\$ 529,880
<b>TOTAL REVENUES</b>	<u>-</u>	<u>350,000</u>	<u>126,149</u>	<u>(223,851)</u>	<u>529,880</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Public works and airport	-	78,624	24,044	54,580	7,133
Capital outlay	-	310,265	116,046	194,219	539,088
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>388,889</u>	<u>140,090</u>	<u>248,799</u>	<u>546,221</u>
Excess (deficiency) revenues over expenditures	-	(38,889)	(13,941)	24,948	(16,341)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	38,889	12,134	(26,755)	51,950
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>38,889</u>	<u>12,134</u>	<u>(26,755)</u>	<u>51,950</u>
Net change in fund balance	-	-	(1,807)	(1,807)	35,609
<b>Fund balance, beginning of year</b>	<u>-</u>	<u>-</u>	<u>43,634</u>	<u>43,634</u>	<u>8,025</u>
<b>Fund Balance, end of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,827</u>	<u>\$ 41,827</u>	<u>\$ 43,634</u>

**CITY OF MONTE VISTA, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENTS FUND**  
**For the Year Ended December 31, 2022**  
**With Comparative Actual Totals for the Year Ended December 31, 2021**

	<u>2022</u>			<u>2021</u>	
	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>POSITIVE (NEGATIVE)</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
Taxes					
Sales taxes	\$ 539,368	\$ 539,368	\$ 677,604	\$ 138,236	\$ 649,967
Interest income	60	400	3,060	2,660	49
<b>TOTAL REVENUES</b>	<u>539,428</u>	<u>539,768</u>	<u>680,664</u>	<u>140,896</u>	<u>650,016</u>
<b>EXPENDITURES</b>					
Debt service					
Principal payments	256,425	256,425	256,429	(4)	247,539
Interest and fiscal charges	59,287	59,287	59,282	5	67,143
<b>TOTAL EXPENDITURES</b>	<u>315,712</u>	<u>315,712</u>	<u>315,711</u>	<u>1</u>	<u>314,682</u>
Excess (deficiency) revenues over expenditures	<u>223,716</u>	<u>224,056</u>	<u>364,953</u>	<u>140,897</u>	<u>335,334</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	(150,000)	(188,889)	(119,939)	68,950	(51,950)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(150,000)</u>	<u>(188,889)</u>	<u>(119,939)</u>	<u>68,950</u>	<u>(51,950)</u>
Net change in fund balance	73,716	35,167	245,014	209,847	283,384
<b>Fund balance, beginning of year</b>	<u>-</u>	<u>-</u>	<u>828,254</u>	<u>828,254</u>	<u>544,870</u>
<b>Fund balance, end of year</b>	<u>\$ 73,716</u>	<u>\$ 35,167</u>	<u>\$ 1,073,268</u>	<u>\$ 1,038,101</u>	<u>\$ 828,254</u>

**CITY OF MONTE VISTA, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**For the Year Ended December 31, 2022**  
**With Comparative Actual Totals for the Year Ended December 31, 2021**

	<u>2022</u>			<u>2021</u>	
	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
				<u>POSITIVE</u>	<u>ACTUAL</u>
				<u>(NEGATIVE)</u>	
<b>REVENUES</b>					
Intergovernmental revenue	\$ -	\$ 130,620	\$ 152,319	\$ 21,699	\$ 847,681
Contributions	-	488,486	275,231	(213,255)	2,307,693
Interest income	-	282	2,525	2,243	495
Miscellaneous revenue	-	-	100,000	100,000	6,920
<b>TOTAL REVENUES</b>	<u>-</u>	<u>619,388</u>	<u>530,075</u>	<u>(89,313)</u>	<u>3,162,789</u>
<b>EXPENDITURES</b>					
Current:					
Public works and airport	100,000	100,000	9,518	90,482	33,795
Culture and recreation	-	50	5	45	80
Debt issuance costs	-	-	-	-	46,425
Capital outlay	50,000	669,338	508,221	161,117	5,513,073
<b>TOTAL EXPENDITURES</b>	<u>150,000</u>	<u>769,388</u>	<u>517,744</u>	<u>251,644</u>	<u>5,593,373</u>
Excess (deficiency) revenues over expenditures	<u>(150,000)</u>	<u>(150,000)</u>	<u>12,331</u>	<u>162,331</u>	<u>(2,430,584)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	150,000	150,000	107,806	(42,194)	-
Transfers out	-	-	-	-	-
Lease proceeds	-	-	-	-	2,500,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>150,000</u>	<u>150,000</u>	<u>107,806</u>	<u>(42,194)</u>	<u>2,500,000</u>
Net change in fund balance	-	-	120,137	120,137	69,416
<b>Fund balance, beginning of year</b>	<u>-</u>	<u>-</u>	<u>239,376</u>	<u>239,376</u>	<u>169,960</u>
<b>Fund balance, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 359,513</u>	<u>\$ 359,513</u>	<u>\$ 239,376</u>

**CITY OF MONTE VISTA, COLORADO**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET POSITION - BUDGET AND ACTUAL (NON-GAAP)**  
**WATER FUND**

**For the Year Ended December 31, 2022**

**With Comparative Actual Totals for the Year Ended December 31, 2021**

	2022		2021		
	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET		
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)	ACTUAL
<b>REVENUES</b>					
Charges for services	\$ 1,031,161	\$ 1,031,161	\$ 1,046,409	\$ 15,248	\$ 1,074,985
Tap fees	5,000	10,000	15,050	5,050	16,000
Grant proceeds	-	-	-	-	81,949
Investment income	3,275	3,275	7,391	4,116	940
Miscellaneous	3,500	3,500	21,876	18,376	7,979
<b>TOTAL REVENUES</b>	<u>1,042,936</u>	<u>1,047,936</u>	<u>1,090,726</u>	<u>42,790</u>	<u>1,181,853</u>
<b>EXPENSES</b>					
Operations and maintenance	812,064	784,740	722,847	61,893	744,343
Capital outlay	130,000	130,000	150,109	(20,109)	74,250
Debt service					
Principal	47,700	47,700	61,230	(13,530)	46,193
Interest	62,019	64,019	63,316	703	62,631
Transfers out	99,000	99,000	99,000	-	99,000
<b>TOTAL EXPENSES</b>	<u>1,150,783</u>	<u>1,125,459</u>	<u>1,096,502</u>	<u>28,957</u>	<u>1,026,417</u>
Net income, budget basis	<u>\$ (107,847)</u>	<u>\$ (77,523)</u>	(5,776)	<u>\$ 71,747</u>	155,436
<b>GAAP BASIS ADJUSTMENTS</b>					
Capital Outlay			150,109		74,250
Amortization			(25,450)		(21,000)
Depreciation			(80,764)		(67,141)
Principal Paid on Long-Term Debt			<u>61,230</u>		<u>46,193</u>
Net income, GAAP basis			99,349		187,738
<b>Net position, beginning of year</b>			<u>2,013,907</u>		<u>1,826,169</u>
<b>Net position, end of year</b>			<u>\$ 2,113,256</u>		<u>\$ 2,013,907</u>

**CITY OF MONTE VISTA, COLORADO**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET POSITION - BUDGET AND ACTUAL (NON-GAAP)**  
**SEWER FUND**

**For the Year Ended December 31, 2022**

**With Comparative Actual Totals for the Year Ended December 31, 2021**

	<u>2022</u>			<u>2021</u>	
	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>	
				<u>POSITIVE</u>	<u>ACTUAL</u>
				<u>(NEGATIVE)</u>	
<b>REVENUES</b>					
Charges for services	\$ 1,015,453	\$ 1,015,453	\$ 1,280,893	\$ 265,440	\$ 1,041,697
Tap fees	1,500	3,000	11,325	8,325	9,825
Grant proceeds	-	-	-	-	31,019
Investment income	1,415	1,415	2,378	963	1,611
Loan proceeds	1,100,000	1,100,000	-	(1,100,000)	-
Miscellaneous	805	805	369	(436)	-
<b>TOTAL REVENUES</b>	<u>2,119,173</u>	<u>2,120,673</u>	<u>1,294,965</u>	<u>(825,708)</u>	<u>1,084,152</u>
<b>EXPENSES</b>					
Operations and maintenance	2,020,010	2,023,588	805,762	1,217,826	740,047
Capital outlay	167,800	167,750	144,342	23,408	39,413
Debt service					
Principal	73,300	73,300	86,745	(13,445)	73,092
Interest	548	548	2,935	(2,387)	708
Transfers out	99,000	99,000	99,000	-	99,000
<b>TOTAL EXPENSES</b>	<u>2,360,658</u>	<u>2,364,186</u>	<u>1,138,784</u>	<u>1,225,402</u>	<u>952,260</u>
Net income, budget basis	<u>\$ (241,485)</u>	<u>\$ (243,513)</u>	156,181	<u>\$ 399,694</u>	131,892
<b>GAAP BASIS ADJUSTMENTS</b>					
Capital Outlay			144,342		39,413
Depreciation			(291,299)		(280,364)
Principal Paid on Long-Term Debt			86,745		73,092
Net income, GAAP basis			95,969		(35,967)
<b>Net position, beginning of year</b>			<u>4,115,112</u>		<u>4,151,079</u>
<b>Net position, end of year</b>			<u>\$ 4,211,081</u>		<u>\$ 4,115,112</u>

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: City of Monte Vista
	YEAR ENDING : December 2022
This Information From The Records Of: City of Monte Vista, Colorado	Prepared By: Anita Kinsey, Finance Director Phone: 719-852-8285

**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. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	322,616
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,070
2. General fund appropriations		b. Snow and ice removal	4,667
3. Other local imposts (from page 2)	924,583	c. Other	
4. Miscellaneous local receipts (from page 2)	14,430	d. Total (a. through c.)	5,736
5. Transfers from toll facilities		4. General administration & miscellaneous	230,341
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	362,346
a. Bonds - Original Issues		6. Total (1 through 5)	921,039
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	40,472
7. Total (1 through 6)	939,013	b. Redemption	165,023
<b>B. Private Contributions</b>		c. Total (a. + b.)	205,495
<b>C. Receipts from State government</b> (from page 2)	178,228	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	1,117,241	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	205,495
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	1,126,535

**IV. LOCAL HIGHWAY DEBT STATUS**  
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	1,268,708	0	165,023	1,103,685
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	334,250	1,117,241	1,126,535	324,956	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2022

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	64,963	a. Interest on investments	5,586
b. Other local imposts:		b. Traffic Fines & Penalties	8,844
1. Sales Taxes	774,703	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	84,917	g. Other Misc. Receipts	
6. Total (1. through 5.)	859,620	h. Other	
c. Total (a. + b.)	924,583	i. Total (a. through h.)	14,430
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	153,184	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	19,096	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (State Funds: Clickit)	5,948	f. Other Federal	
f. Total (a. through e.)	25,044	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	178,228	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		0	0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: