

East Prowers Weed Control District

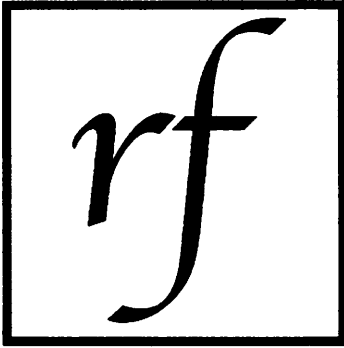
Prowers County, Colorado

Financial Statements

December 31, 2023

**East Prowers Weed Control District
Table of Contents
December 31, 2023**

	Page
Table of Contents	i
Independent Auditor’s Report	1
Management’s Discussion and Analysis (RSI)	ii
Financial Statements:	
Statements of Net Position	4
Statements of Revenues, Expenses & Changes in Net Position	5
Statements of Cash Flows	6
Notes to Financial Statements	8
Supplementary Information:	
Schedule of Revenues, Expenses & Changes in Net Position – Budget & Actual - (Non-GAAP)	17



Independent Auditor's Report

Board of Directors
East Prowers County Weed Control District

We have audited the financial statements of the business-type activities of East Prowers Weed Control District (the "District"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of December 31, 2023, 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. The financial statements for the year ended December 31, 2022, were audited by other auditors. They issued an unqualified opinion dated May 16, 2023, on the 2022 financial statements.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District'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 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 District's basic financial statements. The budget & actual schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budget & actual schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budget & actual schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc

December 6, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
East Prowers Weed Control District
for the year ending December 31, 2023

As Management of the East Prowers Weed Control District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2023. In order to enhance understanding of the District's financial performance, this discussion and analysis should be read in conjunction with the Independent Auditor's Report, the financial statements, and the accompanying notes, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's assets and deferred outflows exceeded liabilities and deferred inflows by \$552,551 (net position) at the end of 2023. Of this amount, \$513,133 may be used to meet the District's ongoing obligations to citizens and creditors. \$87,495 consists of chemical inventory on hand at December 31, 2023. The remaining \$39,418 is invested in capital assets or is restricted by law.
- District's total liabilities as of December 31, 2023 equal \$5,084.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements contain three components:

1) Government-wide Financial Statements, 2) Notes to the Financial Statements, and 3) Budgetary Comparisons.

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

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows, and liabilities, with the difference reported as net position, some portions of which are restricted in accordance with Colorado Revised Statutes. Over time, increases or decreases in net position may serve as a useful indicator of whether the District's financial position is improving or deteriorating. It should be noted that other non-financial factors must be considered when assessing the overall health of the District. These include measures of the quality of service that the District provides to Prowers County.

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

The *Statement of Cash Flows* reports receipts, cash payments and net changes in cash and cash equivalents resulting from operations, investing and capital and related financing activities. It provides answers to questions such as where did cash come from, what was cash used for, and what was the change in cash and cash equivalents during 2022.

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

Budgetary Comparisons: The District adopts an annual appropriated budget for its operations. A budgetary comparison statement has been provided in this discussion and analysis and in the supplemental information to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following condensed financial information derived from government-wide financial statements:

Net position: As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2023, assets and deferred outflows exceeded liabilities and deferred inflows by \$552,551. The District's net position increased by \$54,305 between 2022 and 2023. The following table provides a summary of the District's net position at December 31, 2023.

NET POSITION	2023	2022
ASSETS		
Current and Other Assets	506,227	411,046
Inventory - Chemicals	87,495	124,969
Capital Assets - Net	39,418	43,079
Total Assets	633,140	579,094
Deferred Outflows		
	-	-
LIABILITIES		
Current and Other Liabilities	5,084	4,662
Long Term Liabilities	-	-
Total Liabilities	5,084	4,662
Deferred Inflows		
	75,505	76,186
NET POSITION		
Invested in Capital Assets, Net of Related Debt	39,418	43,079
Restricted for:		
Labor Reserve	-	2,800
Unrestricted	513,133	452,367
	552,551	498,246

\$552,551 of the District's net position represents assets which may be used to meet the District's ongoing obligations to citizens and creditors, inclusive of chemical inventory on hand of \$87,495 at December 31, 2023.

The following table indicates the changes in net position in 2023:

CHANGES IN NET POSITION		2023	2022
Operating Revenues:			
Chemical Sales (Net of Rebates)		959,656	985,062
Misc. Other		2,661	163
Total Operating Revenues		962,317	985,225
Operating Expenses:			
Salaries and Benefits		34,764	35,379
Insurance		3,447	2,263
Utilities		4,075	3,086
Chemicals		929,285	970,297
Telephone and Internet		1,956	1,896
Professional Services		4,620	4,000
Supplies, Repairs & Maintenance		8,889	3,811
Office Expense and Reimbursement		2,802	1,403
Miscellaneous Other		3,495	260
Depreciation		3,660	3,660
Total Operating Expenses		996,993	1,026,055
Non-Operating Revenue (Expense):			
Property Taxes		88,701	91,808
Treasurer's Fee		(2,298)	(2,390)
Interest Income		2,578	695
Total Non-Operating Revenue		88,981	90,113
Increase (Decrease) in Net Position		54,305	49,283

- The most significant driver of revenues and expenses is chemical sales and purchases.

BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Colorado statutes. In December of 2023, the Board of Directors appropriated \$972,377 for 2023 expenditures and reserves. The budget was not amended during the calendar year. The following table compares budget (non-GAAP) to actual in 2023:

	2023	
	Budget	Actual
Chemical Sales (Gross)	949,500	959,656
Other & Non-Operating Revenues	76,686	91,642
Expenditures	(972,377)	(996,992)
Net Income (Loss)	53,809	54,306

CAPITAL ASSETS

Capital Assets: The District's investment in capital assets (net of depreciation) at December 31, 2023, totals \$39,419. This investment includes the following (net of depreciation):

Business Type Activities	2023			2022			Ending Balance	
	Beginning Balance	Increases	Decreases	Ending Balance	Beginning Balance	Increases		Decreases
Capital Assets Being Depreciated:								
Building and Furnishing	57,290	-	-	57,290	57,290	-	-	57,290
Equipment	63,349	-	-	63,349	63,349	-	-	63,349
Total Capital Assets								
Being Depreciated	121,639	-	-	121,639	121,639	-	-	121,639
Less Accumulated Depreciation	78,560	3,660	-	82,220	74,900	3,660	-	78,560
Business-Type Activities								
Capital Assets, Net	43,079	(3,660)	-	39,419	46,739	(3,660)	-	43,079

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of The District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this or for additional financial information should be addressed to the East Prowers Weed Control Board of Directors, P.O. Box 64, Granada, Colorado 81041.

Basic Financial Statements

East Prowers Weed Control District
Statements of Net Position
Proprietary Fund
December 31, 2023 and 2022

	Enterprise Funds	
	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 413,726	\$ 265,984
Accounts receivable, net	16,996	68,876
Property taxes receivable	75,505	76,186
Inventories	87,495	124,969
Total current assets	593,722	536,015
Non-current assets:		
Fixed assets	57,289	57,290
Equipment and Furniture	64,349	64,349
Less accumulated depreciation	(82,220)	(78,560)
Total non-current assets	39,418	43,079
Total assets	633,140	579,094
LIABILITIES		
Current Liabilities:		
Accounts payable	5,084	4,662
Total current liabilities	5,084	4,662
Deferred Inflow of Resources		
Property Taxes	75,505	76,186
NET POSITION		
Net investment in capital assets	39,418	43,079
Unrestricted	513,133	455,167
Total net position	\$ 552,551	\$ 498,246

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

East Prowers Weed Control District
Statements of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
for the years ended December 31, 2023 and 2022

	Enterprise Funds	
	2023	2022
REVENUES		
Chemical sales	\$ 959,656	\$ 985,062
Property taxes	86,403	89,418
Total operating revenues	1,046,059	1,074,480
 OPERATING EXPENSES		
Chemical purchases	929,285	970,297
Office expense	2,802	1,403
Salaries	34,764	35,379
Professional fees	4,620	4,000
Supplies, repairs and maintenance	8,889	3,811
Depreciation	3,660	3,660
Miscellaneous	3,495	260
Insurance & bonds	3,447	2,263
Utilities and telephone	6,031	4,982
Total operating expenses	996,993	1,026,055
Operating income	49,066	48,425
 NON-OPERATING REVENUES (EXPENSES)		
Interest income	2,578	695
Miscellaneous income	2,661	163
Total non-operating revenue (expenses)	5,239	858
 Income before special items	54,305	49,283
Change in net position	54,305	49,283
 Total net position - beginning	498,246	448,963
Total net position - ending	\$ 552,551	\$ 498,246

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

East Prowers Weed Control District
Statements of Cash Flows
Business-type Activity
for the years ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from sales of chemicals	\$ 1,011,536	\$ 920,435
Property taxes	86,403	89,418
Cash payments to suppliers for goods & services	(920,673)	(971,733)
Cash payment for salaries & benefits	(34,764)	(35,379)
NET CASH PROVIDED BY OPERATING ACTIVITIES	142,502	2,741
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Miscellaneous income	2,662	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	2,662	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received on investments	2,578	695
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	2,578	695
NET (DECREASE) INCREASE IN CASH & CASH EQUIVALENTS	147,742	3,436
CASH & CASH EQUIVALENTS:		
Beginning of year	265,984	262,548
End of year	\$ 413,726	\$ 265,984

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

East Prowers Weed Control District
Statements of Cash Flows
Business-type Activity
for the years ended December 31, 2023 and 2022
(Continued)

	2023	2022
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 49,066	\$ 48,588
Adjustments to reconcile operating income To net cash provided by operating activities:		
Depreciation	3,660	3,660
Change in Assets and Liabilities:		
(Increase) Decrease in receivables	51,880	(64,790)
Increase (Decrease) in payables	422	(73,417)
(Increase) Decrease in inventory	37,474	88,700
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 142,502	\$ 2,741
 CASH DECEMBER 31,		
Cash and Cash Equivalents	\$ 413,726	\$ 265,984

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

East Prowers Weed Control District
Notes to Financial Statements
December 31, 2023

Note 1 **Summary of Significant Accounting Policies**

The East Prowers Weed Control District was organized in the early 1980's and is governed by an appointed Board of Directors. It is a local government unit created for the purpose of making bulk purchases of agricultural chemicals for resale to customers within Prowers County, Colorado.

Reporting Entity

The reporting entity, for financial purposes, is defined as the primary government (East Prowers Weed Control District) and its component units. The District has no component units; the financial statements are comprised of the funds more fully described in subsequent information contained in the footnotes.

The accounting policies of the East Prowers Weed Control District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Basis of Accounting

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America, including all applicable statements of the GASB. The financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated non-exchange transactions (principally federal and state grants) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated non-exchange transactions. Government-mandated non-exchange transactions that are not program specific, property taxes and investment income are included in non-operating revenues. The District first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Classifications of Net Position

Net investment in capital assets – This component consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets are assets which have restrictions placed on the use of the assets through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component consists of the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

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

<u>Assets</u>	<u>Years</u>
Furniture and Fixtures	5 – 10
Equipment and Vehicles	3 – 12
Buildings and Improvements	30 – 40

Budgets and Budgetary Accounting

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, a proposed operating budget for the fiscal year commencing the following January 1 is developed. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of an ordinance or resolution.
4. The District Clerk is authorized to transfer budgeted amounts between line items; however, any revisions to alter the total expenditures must be approved by the Board of Directors.
5. Budgets for the Enterprise Fund are adopted on a budgetary basis not consistent with generally accepted accounting principles (GAAP).

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. All encumbrances lapse at the end of the year.

Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. The costs of inventories are recorded as expenditures when they are used.

Property Taxes

Property taxes represent ad valorem taxes levied by the District, which are payable to the County Treasurer, and are recognized as revenue by the District in the year for which they are levied.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change related to the determination of the allowance for losses on customer accounts receivable. In connection with the determination of the estimated losses on receivables, management evaluates accounts and relies on historical data.

While management uses available information to recognize losses on receivables, further reductions in the carrying amounts of receivables may be necessary based on changes in economic conditions. Because of these factors, it is reasonably possible that the estimated losses on receivables may change materially in the near term. However, the amount of the change that is reasonably possible cannot be estimated.

Deposits and Investments, Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, banker's acceptances, and mutual funds composed of otherwise legal investments.

Accounts Receivable

The District writes off bad debts when accounts are deemed uncollectible. Receivables are reviewed annually to determine accounts that should be written off. As of December 31, 2023, the allowance for estimated uncollectible accounts was \$0.

Operating Revenue and Expenses

Operating revenue and expenses are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Deferred Outflows / Inflows of Resources

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

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

Note 2 Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital Assets being depreciated:				
Buildings and Furnishings	\$ 57,290	\$ -	\$ -	\$ 57,290
Equipment	64,349	-	-	64,349
Total Capital Assets being depreciated	121,639	-	-	121,639
Less Accumulated Depreciation	(78,560)	(3,660)	-	(82,220)
Business-Type Activities Capital Assets, Net	\$ 43,079	\$ (3,660)	\$ -	\$ 39,419

Note 3 Cash and Deposits

The District's deposits at year end were covered by Federal Depository Insurance Corporation (FDIC) or secured under the Public Deposit Protection Act (PDPA) of the State of Colorado, whereby the custodial bank pledges collateral for amounts on deposit in excess of the amount guaranteed by the FDIC for governmental entities.

	Carrying Amount
Insured	\$ 250,000
Uninsured, Collateralized under the PDPA Act	162,771
	412,771
Cash with County Treasurer	955
Cash on Hand	-
Total Cash and Deposits	\$ 413,726

Note 4 Risk Management

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

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

Note 5 Contingencies – Tax, Spending and Debt Limitations

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer’s Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR.

The initial base for local government spending and revenue limits is 1992 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year’s Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 1% of Fiscal Year Spending (excluding bonded debt service) in 1993, 2% in 1996 and 3% thereafter. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TABOR requires, with certain exceptions, voter’s approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

Except for bond refinancing at lower interest rates or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for alt future payments.

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

**East Prowers Weed Control District
Budget and Actual
East Prowers Weed Control District
for the year ended December 31, 2023**

	<u>Budgeted Amounts- Original and Final</u>	<u>Actual Amounts- Budgetary Basis</u>
REVENUES		
Property taxes	\$ 76,186	\$ 86,403
Chemical sales	949,500	959,656
Interest Income	200	2,578
Miscellaneous Income	300	2,661
Total revenues	<u>1,026,186</u>	<u>1,051,298</u>
EXPENDITURES		
Chemical purchases	881,600	929,285
Office expense	3,000	2,802
Salaries	38,000	34,764
Professional fees	4,180	4,620
Auto Expense	-	(1)
Miscellaneous	6,725	3,495
Supplies, repairs, maintenance	4,850	8,889
Depreciation	4,822	3,660
Insurance & bonds	4,200	3,447
Utilities and telephone	5,000	6,031
Capital outlay and building improvements	20,000	-
Total Expenditures	<u>972,377</u>	<u>996,992</u>
Income	<u>53,809</u>	<u>54,306</u>
Net change in net position	<u>53,809</u>	<u>54,306</u>
Net position - beginning	<u>186,175</u>	<u>498,246</u>
Net position - ending	<u>\$ 239,984</u>	<u>\$ 552,552</u>