

**TOWN OF SOUTH FORK, COLORADO**

**FINANCIAL STATEMENTS**

**December 31, 2023**



Wall,  
Smith,  
Bateman Inc.  
Certified Public Accountants

**TOWN OF SOUTH FORK, COLORADO**

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# INDEPENDENT AUDITORS' REPORT



Wall,  
Smith,  
Bateman Inc.

To the Honorable Mayor  
and the Board of Trustees  
Town of South Fork, Colorado  
South Fork, Colorado

## *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of South Fork, Colorado (the Town), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town'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, and each major fund of the Town, 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.

## *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 Town, 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 these 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 Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or

**Certified Public Accountants**

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 Town'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 Town'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***

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the 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 Town's basic financial statements. The proprietary fund budgetary comparison information and 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, the proprietary fund budgetary comparison information and 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

September 4, 2024

**TOWN OF SOUTH FORK, COLORADO**  
**BASIC FINANCIAL STATEMENTS**

**TOWN OF SOUTH FORK, COLORADO**

**STATEMENT OF NET POSITION**

**December 31, 2023**

	Primary Government		TOTAL
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
<b>Current assets</b>			
Cash, deposits, and investments	\$ 1,366,213	\$ 599,091	\$ 1,965,304
Accounts receivable	-	22,140	22,140
Due from state	98,346	-	98,346
Due from other governments	85,378	-	85,378
Prepaid expenses	6,280	-	6,280
<b>Total current assets</b>	<b>1,556,217</b>	<b>621,231</b>	<b>2,177,448</b>
<b>Noncurrent assets</b>			
Land	630,233	-	630,233
Construction in progress	1,805,000	-	1,805,000
Water Augmentation Rights	-	440,000	440,000
Buildings and improvements	436,404	-	436,404
Equipment	936,854	-	936,854
Infrastructure	135,200	5,169,328	5,304,528
Land Improvements	163,204	-	163,204
Less: accumulated depreciation	(944,801)	(172,311)	(1,117,112)
<b>Total noncurrent assets</b>	<b>3,162,094</b>	<b>5,437,017</b>	<b>8,599,111</b>
<b>TOTAL ASSETS</b>	<b>4,718,311</b>	<b>6,058,248</b>	<b>10,776,559</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	98,138	-	98,138
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	154,064	6,472	160,536
Unearned Revenue	42,175	-	42,175
Compensated absences	-	-	-
Notes payable	-	93,681	93,681
<b>Total current liabilities</b>	<b>196,239</b>	<b>100,153</b>	<b>296,392</b>
<b>Noncurrent liabilities</b>			
Compensated absences	21,300	-	21,300
Notes payable	-	2,839,924	2,839,924
Net Pension Liability	13,434	-	13,434
<b>Total noncurrent liabilities</b>	<b>34,734</b>	<b>2,839,924</b>	<b>2,874,658</b>
<b>TOTAL LIABILITIES</b>	<b>230,973</b>	<b>2,940,077</b>	<b>3,171,050</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	16,267	-	16,267

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

**TOWN OF SOUTH FORK, COLORADO**

**STATEMENT OF NET POSITION**

**December 31, 2023**

	Primary Government		TOTAL
	Governmental Activities	Business-Type Activities	
<b>NET POSITION</b>			
Net investment in capital assets	3,162,094	2,503,412	5,665,506
Restricted for:			
TABOR reserve	112,500	-	112,500
Conservation Trust Fund	90,344	-	90,344
Unrestricted	1,204,271	614,759	1,819,030
<b>TOTAL NET POSITION</b>	<u>\$ 4,569,209</u>	<u>\$ 3,118,171</u>	<u>\$ 7,687,380</u>

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

**TOWN OF SOUTH FORK, COLORADO**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2023**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	TOTAL
<b>Primary Government:</b>						
<b>Governmental activities:</b>						
General government	\$ 486,610	\$ 176,303	\$ 4,548	\$ 1,499,241	\$ -	\$ 1,499,241
Public safety	342,349	58,042	-	(284,307)	-	(284,307)
Highways and streets	461,603	-	68,221	(393,382)	-	(393,382)
Marketing and economic	175,324	-	-	(175,324)	-	(175,324)
Culture and recreation	336,583	35,586	274,481	(26,516)	-	(26,516)
<b>Total Governmental Activities</b>	<b>1,802,469</b>	<b>269,931</b>	<b>347,250</b>	<b>619,712</b>	<b>-</b>	<b>619,712</b>
<b>Business-Type Activities</b>						
Water	264,140	278,568	-	-	362,216	362,216
<b>Total Business-Type Activities</b>	<b>264,140</b>	<b>278,568</b>	<b>-</b>	<b>-</b>	<b>362,216</b>	<b>362,216</b>
<b>Total Primary Government</b>	<b>\$ 2,066,609</b>	<b>\$ 548,499</b>	<b>\$ 347,250</b>	<b>619,712</b>	<b>362,216</b>	<b>981,928</b>
<b>General Revenues:</b>						
Taxes:						
Sales taxes				1,347,999	-	1,347,999
Other taxes				3,307	-	3,307
Interest on investments				40,851	-	40,851
Miscellaneous				1,816	10	1,826
Transfers				(575,001)	575,001	-
<b>Total General Revenues</b>				<b>818,972</b>	<b>575,011</b>	<b>1,393,983</b>
Change in Net Position				1,438,684	937,227	2,375,911
<b>Net Position at Beginning of Year</b>				<b>3,130,525</b>	<b>2,180,944</b>	<b>5,311,469</b>
<b>Net Position at End of Year</b>				<b>\$ 4,569,209</b>	<b>\$ 3,118,171</b>	<b>\$ 7,687,380</b>

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

**TOWN OF SOUTH FORK, COLORADO**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**December 31, 2023**

	<b>GENERAL FUND</b>	<b>CONSERVATION TRUST</b>	<b>VISITOR CENTER AND MARKETING FUND</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>				
Cash	\$ 1,174,346	\$ 86,971	\$ 104,896	\$ 1,366,213
Due from State	98,346	-	-	98,346
Due from Other Governments	85,378	-	-	85,378
Internal Balances	(3,373)	3,373	-	-
Prepaid Expenses	6,280	-	-	6,280
<b>TOTAL ASSETS</b>	<b>\$ 1,360,977</b>	<b>\$ 90,344</b>	<b>\$ 104,896</b>	<b>\$ 1,556,217</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable and Accrued Liabilities	\$ 146,891	\$ -	\$ 7,173	\$ 154,064
Unearned Revenue	42,175	-	-	42,175
<b>TOTAL LIABILITIES</b>	<b>189,066</b>	<b>-</b>	<b>7,173</b>	<b>196,239</b>
<b>FUND BALANCE</b>				
Nonspendable:				
Prepaid Expenses	6,280	-	-	6,280
Restricted:				
TABOR Reserve	112,500	-	-	112,500
Conservation Trust Fund	-	90,344	-	90,344
Committed:				
Culture and Recreation	-	-	97,723	97,723
Safeguard Reserve	193,224	-	-	193,224
Operating Reserve	221,125	-	-	221,125
Capital Improvement Projects	259,391	-	-	259,391
Police Surcharge	40,000	-	-	40,000
Workforce and Affordable Housing	80,000	-	-	80,000
Contingency Reserve	259,391	-	-	259,391
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>1,171,911</b>	<b>90,344</b>	<b>97,723</b>	<b>1,359,978</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,360,977</b>	<b>\$ 90,344</b>	<b>\$ 104,896</b>	<b>\$ 1,556,217</b>

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

**TOWN OF SOUTH FORK, COLORADO**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO THE STATEMENT OF NET POSITION**  
**December 31, 2023**

<b>Total governmental fund balances</b>	<b>\$ 1,359,978</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds.	3,162,094
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.	98,138
Net pension assets (liabilities) are not due and payable in the current period and are not reported in the funds.	(13,434)
Certain amounts related to the net pension liability are deferred and amortized over time. These are not reported in the funds.	(16,267)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	<u>(21,300)</u>
<b>Net position of governmental activities</b>	<b><u><u>\$ 4,569,209</u></u></b>

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

**TOWN OF SOUTH FORK, COLORADO**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Year Ended December 31, 2023**

	<b>GENERAL FUND</b>	<b>CONSERVATION TRUST</b>	<b>VISITOR CENTER AND MARKETING FUND</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>				
Taxes	\$ 1,351,306	\$ -	\$ -	\$ 1,351,306
Licenses and permits	175,311	-	-	175,311
Intergovernmental revenue	1,873,221	7,087	208,288	2,088,596
Contributions	55,000	-	-	55,000
Charges for services	16,316	-	39,692	56,008
Fines and Forfeitures	42,718	-	-	42,718
Interest on accounts	40,753	85	13	40,851
Other	6,364	-	-	6,364
<b>TOTAL REVENUES</b>	<b>3,560,989</b>	<b>7,172</b>	<b>247,993</b>	<b>3,816,154</b>
<b>EXPENDITURES</b>				
General government	457,957	-	-	457,957
Public safety	337,760	-	-	337,760
Highways and streets	449,575	-	-	449,575
Marketing and economic	175,324	-	-	175,324
Culture and recreation	24,085	-	302,367	326,452
Capital outlay	2,017,930	-	-	2,017,930
<b>TOTAL EXPENDITURES</b>	<b>3,462,631</b>	<b>-</b>	<b>302,367</b>	<b>3,764,998</b>
Excess (deficiency) of revenues over expenditures	98,358	7,172	(54,374)	51,156
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	-	-	-	-
Transfer Out	(575,001)	-	-	(575,001)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(575,001)</b>	<b>-</b>	<b>-</b>	<b>(575,001)</b>
Net change in fund balance	(476,643)	7,172	(54,374)	(523,845)
<b>Fund Balance at Beginning of Year</b>	<b>1,648,554</b>	<b>83,172</b>	<b>152,097</b>	<b>1,883,823</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,171,911</b>	<b>\$ 90,344</b>	<b>\$ 97,723</b>	<b>\$ 1,359,978</b>

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

**TOWN OF SOUTH FORK, 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, 2023**

**Net change in fund balances - Total governmental funds** \$ (523,845)

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 is 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	\$2,052,236	
Depreciation expense	<u>(90,768)</u>	1,961,468

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		231
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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 expense.

		<u>830</u>
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**Change in net position of governmental activities** \$ 1,438,684

**TOWN OF SOUTH FORK, COLORADO**  
**PROPRIETARY FUND**  
**STATEMENT OF NET POSITION**  
**December 31, 2023**

	<u><b>WATER ENTERPRISE FUND</b></u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ 599,091
Accounts Receivable	22,140
<b>Total Current Assets</b>	<u>621,231</u>
<b>Capital Assets</b>	
Water Augmentation Rights	440,000
Infrastructure	5,169,328
Less: Accumulated Depreciation	(172,311)
<b>Total Capital Assets</b>	<u>5,437,017</u>
<b>TOTAL ASSETS</b>	<u>6,058,248</u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable and accrued liabilities	6,472
Due to Other Funds	-
Notes payable	93,681
<b>Total Current Liabilities</b>	<u>100,153</u>
<b>Noncurrent Liabilities</b>	
Notes payable	2,839,924
<b>Total Noncurrent Liabilities</b>	<u>2,839,924</u>
<b>TOTAL LIABILITIES</b>	<u>2,940,077</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	2,503,412
Unrestricted	614,759
<b>TOTAL NET POSITION</b>	<u><u>\$ 3,118,171</u></u>

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

**TOWN OF SOUTH FORK, COLORADO**  
**PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**For the Year Ended December 31, 2023**

	<b>WATER ENTERPRISE FUND</b>
<b>OPERATING REVENUES</b>	
Service Charges	\$ 278,568
Miscellaneous	10
<b>TOTAL OPERATING REVENUES</b>	<b>278,578</b>
<b>OPERATING EXPENSES</b>	
Salaries	34,553
Supplies	5,887
Professional Services	24,306
Utilities, Gas and Oil	20,359
Repairs and Maintenance	6,499
Insurance	-
Miscellaneous	225
Depreciation Expense	172,311
<b>TOTAL OPERATING EXPENSES</b>	<b>264,140</b>
Operating Income (Loss)	14,438
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest Expense	(21,315)
Grant Income	49,903
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>28,588</b>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>43,026</b>
<b>CAPITAL CONTRIBUTIONS</b>	
Donated Capital	300,000
Tap Fees	19,200
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>319,200</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfer In	575,001
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>575,001</b>
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>894,201</b>
<b>Net Income (Loss)</b>	<b>937,227</b>
<b>Net Position at Beginning of Year</b>	<b>2,180,944</b>
<b>Net Position at End of Year</b>	<b>\$ 3,118,171</b>

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

**TOWN OF SOUTH FORK, COLORADO**  
**PROPRIETARY FUND**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2023**

	<b>WATER ENTERPRISE FUND</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 263,977
Cash Payments to Suppliers for Goods and Services	(419,101)
Cash Payments to Employees	(34,553)
	(189,677)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers to Other Funds	575,001
	575,001
<b>NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of Capital Assets	(550,542)
Capital Contributions	19,200
Grant Proceeds	118,372
Principal Paid on Notes Payable	(93,052)
Interest Paid on Notes Payable	(21,315)
	(527,337)
<b>NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(142,013)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	741,104
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 599,091
<b>OPERATING INCOME (LOSS)</b>	\$ 14,438
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>	
Depreciation Expense	172,311
Change in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	(14,601)
(Increase) Decrease in Prepaid Expenses	-
Increase (Decrease) in Accounts Payable	(61,824)
Increase (Decrease) in Due to Other Funds	(300,001)
	(189,677)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	\$ (189,677)
<b>SUPPLEMENTAL DISCLOSURES</b>	
Noncash Capital	
Donated Capital	\$ 300,000

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

**TOWN OF SOUTH FORK, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Town of South Fork (the Town) reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*.

**REPORTING ENTITY**

***Primary Government***

The Town was incorporated on May 19, 1992, and became a statutory town under State Statute (C.R.S. 31-1-101). The Town operates under a Town Council form of government and provides the following services as authorized by its charter: public safety, highways and streets, culture and recreation, planning and zoning, water, and general administrative services.

***Component Units***

The Town's combined financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Town holds the corporate powers of the organization
- The Town appoints a voting majority of the organization's board
- The Town is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Town
- There is fiscal dependency by the organization on the Town
- The organization is financially accountable to the Town
- The organization receives or holds funds that are for the benefit of the Town; and the Town has access to a majority of the funds held; and the funds that are accessible are also significant to the Town

Based on the aforementioned criteria, the Town of South Fork has no component units.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the Town, except for fiduciary activity. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Mainly taxes and intergovernmental revenues support governmental activities.

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The statement of activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include:

- Charges to customers or applicants who purchase, use, or directly benefit from services, or privileges provided by a given function or segment and
- 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 in program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each reported as a separate column. All of the Town's funds at December 31, 2023 are considered to be major funds.

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

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a 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 are recognized as revenue when all applicable eligibility requirements, imposed by the provider, are 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

- The ***General Fund*** is the general operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The ***Conservation Trust Fund*** is used to account for the Town'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.
- The ***Visitor Center and Marketing Fund*** is used to account for the Town's interpretive center. The monies may be expended for advertising, events, and other tourism projects.

The Town reports the following major proprietary funds:

- The ***Water Enterprise Fund*** is used to account for user charges and expenses for operating, financing, and maintaining the Town's water system.

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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

**ASSETS, LIABILITIES, AND NET POSITION/FUND BALANCE**

***Cash and cash equivalents***

The Town’s cash and cash equivalents are considered to be cash in bank, certificates of deposit, and liquid investments with an initial maturity of three months or less.

***Investments***

All investments, if any, are recorded at fair market value.

***Receivables/payables from other funds***

Balances that originate from current lending/borrowing arrangements between funds are referred to as “Due To/From Other Funds”.

***Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

***Capital Assets***

Capital assets, which include land, buildings and improvements, equipment, and infrastructure, are reported in the applicable governmental and business-type activities columns in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of more than \$5,000 and a life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Assets	Years
Buildings and improvements	10-30
Equipment	5-20
Infrastructure	20

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town.

***Compensated Absences***

The Town of South Fork has adopted a policy to pay all regular employees their annual allotment of accrued vacation upon termination under favorable conditions. Vacation accrued during the first year of employment is not payable at time of termination if the termination date is less than one year from the employee’s date of employment. Regular employees that are terminated or leave after the one-year time frame qualify and will be paid for their unused balance of vacation time accrued up through the last day worked. Employees will accrue vacation at the rate of 6 to 10 hours per month with a maximum of 144 to 240 hours based on years of service. The employee is compensated for hours in excess of the maximum at a rate of 20% straight pay and paid at the end of the calendar year. Sick leave may

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accumulate up to 90 days or 720 hours, but will not be paid upon termination. A liability for accrued compensated absences is included in the government-wide financial statements.

***Unearned Revenue***

The Town received 2024 short-term rental permit fees during 2023. Those fees will be recognized as revenue in 2024, the year of assessment.

***Long-Term Obligations***

Long-term debt and other long term obligations are recorded as liabilities in the government-wide financial statements. In the fund financial statements for governmental fund types, debt proceeds are reported as an other financing source and debt payments are reported as debt service expenditures.

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

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applied to a future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

In addition to liabilities, the balance sheet reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Certain amounts related to pensions must be deferred.

***Pensions***

The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire and Police Pension Association of Colorado ("FPPA"). The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB 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.

***Net Position***

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – 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 components of net position.

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***Fund Balance***

Fund balances are reported by classification based on the extent to which the Town is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the following five categories:

- *Nonspendable Fund Balance* – amounts that cannot be spent because they are not in spendable form – such as inventory and prepaid expenditures.
- *Restricted Fund Balance* – amounts 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.
- *Committed Fund Balance* – amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of Trustees, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board 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.
- *Assigned Fund Balance* – amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Trustees or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance* – amounts that are available for any purpose; these amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, and unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

***Encumbrances***

The Town does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are re-budgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

***Use of Estimates***

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

***New Accounting Pronouncements***

During fiscal year 2023, the Town adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangement (SBITA)*, that established that a SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. This standard requires governmental entities to record a subscription liability and an intangible right-to-use subscription asset for those contracts for the subscription term. This standard does not have a material effect on the financial statements of the Town.

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**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

***Budgets and Budgetary Accounting***

The Town follows the procedures set forth in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

- Preparation of budget documents by administrative staff shall be submitted to the Board no later than October 15 of each year.
- Publication of a notice stating that the budget is available for public inspection.
- Discussion of the budget in a meeting open to the public.
- Adoption of the budget in a public meeting by appropriate resolution, no later than December 31.

Formal budgetary integration is employed as a management control device for all funds of the Town. All fund budgets are adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP). All budget amounts presented reflect the original budget and the final budget, if applicable.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The Town did adopt supplemental appropriations during 2023. All budget amounts presented in the accompanying supplementary information reflect the original budget and the final amended budget.

***Stewardship***

Total expenditures exceeded budgeted appropriations in the Visitors Center Fund and Water Enterprise Fund that exceeded budgeted appropriations by \$7,367 and \$754,739, respectively. This may be a violation of Colorado Revised Statutes 29-1-110.

**NOTE 3 CASH, DEPOSITS AND INVESTMENTS**

A summary of Cash, Deposits, and Investments are as follows:

Cash on Hand and Deposited with Banks	\$ 1,316,826
Investments - C-SAFE	<u>648,478</u>
Total Cash, Deposits, and Investments on Statement of Net Position	<u><u>\$ 1,965,304</u></u>

**CASH AND DEPOSITS**

Colorado state statutes govern the Town's deposits of cash. The statutes specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance (FDIC) on deposits held.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized in accordance with the PDPA. PDPA allows the institution to create a single collateral pool for all public funds to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits. All deposits in 2023 were in eligible public depositories, as defined by the Public Deposit Protection Act of 1989.

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***Custodial Credit Risk***

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. At December 31, 2023, \$1,000,125 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

**INVESTMENTS**

The types of investments which are authorized to be made with Town funds are controlled by state statute and the investment policies of the Town. Colorado state statutes and the Town's investment policies specify investment instruments meeting defined rating and risk criteria in which the Town may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Repurchase agreements
- Money market funds
- Guaranteed investment contracts
- Corporate or bank debt issued by eligible corporations or banks

***Custodial Credit Risk - Investments***

The Town's investment policy calls for investment diversification within the portfolio to avoid unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. The Town's investment policy allows for the Town to invest in local government investment pools.

***Interest Rate Risk***

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The Town has no investments with maturities past five years.

The Town has \$648,478 invested in the Colorado Surplus Asset Fund Trust (CSAFE). CSAFE is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. CSAFE operates similarly to a money market fund and each share is equal in value to \$1.00 with no withdrawal restrictions. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned by the pool are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pool. Investments of the pool consist of securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements and A1 rated Colorado Depositories collateralized at 102% of market value with Treasury & Agency Securities. Asset allocation is in full conformance with S & P guidelines. CSAFE measures all of its investments at amortized cost. CSAFE is rated AAAM by Standard and Poor's.

Investments in local government investment pools or money market funds are not categorized as to risk because they are not evidenced by securities that exist in physical or book entry form.

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**NOTE 4 DUE FROM OTHER GOVERNMENTS**

Intergovernmental receivables include amounts due from grantors for specific program grants and sales tax collected by other government agencies. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

As of December 31, 2023, the Town had \$98,346 due from state and \$85,378 from local governments, reflected as intergovernmental receivables in the accompanying basic financial statements.

**NOTE 5 INTERFUND TRANSFERS, RECEIVABLES, AND PAYABLES**

The Town reports transfers balances between its funds. The transfers in the current year included amounts transferred from the General Fund to the Water Enterprise Fund for projects.

Interfund transfers for the year ended December 31, 2023, were as follows:

Transfers In	Transfers Out	Amount
Water Enterprise Fund	General Fund	\$ 575,001
	TOTALS	\$ 575,001

Interfund receivable and payable balances at December 31, 2023, were as follows:

Receivable Fund	Payable Fund	Amount
Conservation Trust	General Fund	\$ 3,373
	TOTALS	\$ 3,373

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**NOTE 6 CAPITAL ASSETS**

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

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
<i>Governmental Activities:</i>				
Capital assets not being depreciated				
Land	\$ 630,233	\$ -	\$ -	\$ 630,233
Construction in Progress		1,805,000		1,805,000
Total capital assets not being depreciated	<u>630,233</u>	<u>1,805,000</u>	<u>-</u>	<u>2,435,233</u>
Capital assets being depreciated				
Buildings and improvements	436,404	-	-	436,404
Equipment	749,618	187,236	-	936,854
Infrastructure	135,200	-	-	135,200
Land Improvements	103,204	60,000	-	163,204
Total capital assets being depreciated	<u>1,424,426</u>	<u>247,236</u>	<u>-</u>	<u>1,671,662</u>
Less accumulated depreciation for:				
Buildings and improvements	326,995	13,290	-	340,285
Equipment	393,776	53,676	-	447,452
Infrastructure	112,600	6,760	-	119,360
Land Improvements	20,662	17,042	-	37,704
Total accumulated depreciation	<u>854,033</u>	<u>90,768</u>	<u>-</u>	<u>944,801</u>
Total capital assets being depreciated, net	<u>570,393</u>	<u>156,468</u>	<u>-</u>	<u>726,861</u>
Governmental Activities Capital Assets, net	<u>\$ 1,200,626</u>	<u>\$ 1,961,468</u>	<u>\$ -</u>	<u>\$ 3,162,094</u>
	Balance			Balance
	12/31/2022	Additions	Deletions	12/31/2023
<i>Business-type Activities:</i>				
Capital assets not being depreciated				
Construction in progress	\$ 4,318,786	\$ 283,838	\$ 4,602,624	\$ -
Water Augmentation Rights	440,000	-	-	440,000
Total capital assets not being depreciated	<u>4,758,786</u>	<u>283,838</u>	<u>4,602,624</u>	<u>440,000</u>
Capital assets being depreciated				
Infrastructure	-	5,169,328	-	5,169,328
Total capital assets being depreciated	<u>-</u>	<u>5,169,328</u>	<u>-</u>	<u>5,169,328</u>
Less accumulated depreciation for:				
Infrastructure	-	172,311	-	172,311
Total capital assets being depreciated, net	<u>-</u>	<u>172,311</u>	<u>-</u>	<u>172,311</u>
Business-type Activities Capital Assets, net	<u>\$ 4,758,786</u>	<u>\$ 5,280,855</u>	<u>\$ 4,602,624</u>	<u>\$ 5,437,017</u>

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

<i>Governmental activities:</i>	
General government	\$ 28,884
Public safety	13,782
Highway and streets	29,646
Culture and recreation	18,456
Total depreciation expense - governmental activities	\$ 90,768
 <i>Business-Type Activities:</i>	
Water System	\$ 172,311
Total depreciation expense - Business-Type Activities	\$ 172,311

**NOTE 7 LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023	Due Within One Year
<i>Governmental Activities</i>					
Compensated absences	\$ 21,531	\$ -	\$ (231)	\$ 21,300	\$ -
Governmental Activities Total	\$ 21,531	\$ -	\$ (231)	\$ 21,300	\$ -
 <i>Business-type Activities</i>					
CWRPDA Loan	\$2,593,297	\$ -	\$ (81,796)	\$2,511,501	\$ 82,206
CWCB Loan	433,360	-	(11,256)	422,104	11,475
Business-Type Activities Total	\$3,026,657	\$ -	\$ (93,052)	\$2,933,605	\$ 93,681

***Business-type Activities***

On July 8, 2020, the Colorado Water Resources and Power Development Authority loaned the Town \$3,000,000 at an interest rate of 0.500% annually. \$400,000 was forgiven at closing. This loan was obtained for the first stage of construction of a new municipal water system. The note is to be repaid in semi-annual installments of \$47,330 for a period of 30 years. During 2021 the Town received a one year extension on the loan since the project was not complete. The initial payment is due November 1, 2022, and the final payment is due May 1, 2052. The loan is secured with “net revenue” from the Water Enterprise Fund pledged to repay the loan.

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The annual debt service for the note payable is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 82,206	\$ 12,455	\$ 94,661
2025	82,617	12,043	94,661
2026	83,031	11,630	94,661
2027	83,447	11,214	94,661
2028	83,864	10,796	94,661
2029-2033	425,661	47641.63	473,303
2034-2038	436,423	36879.58	473,303
2039-2043	447,457	25846.44	473,304
2044-2048	458,771	14532.32	473,303
2049-2052	328,023	3288.43	331,312
	<u>\$2,511,501</u>	<u>\$ 186,327</u>	<u>\$2,697,827</u>

On March 12, 2021, the Colorado Water Conservation Board loaned the Town \$444,400 at an interest rate of 1.95% annually. This loan was obtained for the purchase of 27.804 acre-feet per year of water. The note is to be repaid in annual installments of \$19,706 for a period of 30 years. The initial payment is due March 1, 2022, and the final payment is due March 1, 2051. The loan is secured with “net revenue” from the Water Enterprise Fund pledged to repay the loan.

The annual debt service for the note payable is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 11,475	\$ 8,231	\$ 19,706
2025	11,699	8,007	19,706
2026	11,927	7,779	19,706
2027	12,160	7,547	19,706
2028	12,397	7,309	19,706
2029-2033	65,706	32,825	98,531
2034-2038	72,367	26,164	98,531
2039-2043	79,703	18,828	98,531
2044-2048	87,784	10,748	98,531
2049-2051	56,886	2,233	59,119
	<u>\$ 422,104</u>	<u>\$ 129,671</u>	<u>\$ 551,775</u>

**NOTE 8 POLICE PENSION**

***General Information about the Fire and Police Statewide Defined Benefit Plan***

*Plan description.* The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA’s website at <http://www.FPPAco.org>.

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*Benefits provided.* A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. 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 Clerical Workers (CPI-W).

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

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

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates 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 2022, members of the SWDB plan and their employers are contributing at the rate of 12 percent and 9 percent, respectively, of pensionable earnings for a total contribution rate of 21 percent.

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

The contribution rate for members and employers of affiliated social security employers is 6 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 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 Plan from the Town were \$11,394 for the year ended December 31, 2023.

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

At December 31, 2023, the Town reported a liability (asset) of \$13,434 for its proportionate share of the net pension liability (asset).

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2023**

The net pension liabilities (assets) were measured as of December 31, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) were determined by an actuarial valuation as of January 1, 2023. The Town's proportion of the net pension liabilities (assets) was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2022, the Town's proportion was 0.0151 percent, which was an increase of 0.003 from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Town recognized pension (income)/expense of (\$830).

At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 29,080	\$ 1,649
Net difference between projected and actual earnings on pension plan investments	30,401	-
Changes in assumption	17,211	-
Changes in proportion	10,052	14,618
Contributions subsequent to the measurement date	11,394	-
Total	\$ 98,138	\$ 16,267

\$11,394 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:

Year Ended December 31,	
2024	\$ 7,001
2025	12,728
2026	17,714
2027	24,285
2028	4,379
Thereafter	4,370
	\$ 70,477

*Actuarial assumptions.* The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumption and other inputs:

**TOWN OF SOUTH FORK, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2023**

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2023	January 1, 2022
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*	7.0%	7.0%
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, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rates are 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 2022 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, 2023. 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 (assume at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	35.0%	8.93%
Equity Long/Short	6.0%	7.47%
Private Markets	34.0%	10.31%
Fixed Income Rates	10.0%	5.45%
Fixed Income - Credit	5.0%	6.90%
Absolute Return	9.0%	6.49%
Cash	1.0%	3.92%
Total	<u>100.0%</u>	

**TOWN OF SOUTH FORK, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2023**

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 SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (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 4.05 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

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 (6.00%)	Single Discount Rate Assumption (7.00%)	1% Increase (8.00%)
\$ 92,613	\$ 13,434	\$ (52,152)

**NOTE 9 DEFINED CONTRIBUTION PLAN**

All eligible employees participate in the Colorado County Officials and Employees Retirement Association (CCOERA) (the Plan), a defined contribution plan, authorized by state statute. The Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Employees are eligible after completing twelve months of service with the Town, and participation is mandatory after one year of employment. Employee and employer contributions are 100% vested immediately upon employee participation in the plan.

The Town must contribute 3% of the compensation of each participant. Each participant contributes a minimum amount equal to the Town’s contribution, and is permitted to make additional contributions not to exceed 10% of their compensation. For the year ended December 31, 2023, employee contributions totaled \$10,595 and the Town recognized pension expense of \$10,595. The Town recognized \$0 of forfeitures in retirement expense during 2023.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. The Plan may be amended by resolution of the Board of Trustees but it may not be amended beyond the limits established by state statute.

**TOWN OF SOUTH FORK, COLORADO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**December 31, 2023**

**NOTE 10 TABOR AMENDMENT RESERVE**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

On November 7, 1995, voters approved a ballot question which stated that the Town shall be allowed to increase sales tax revenues by whatever additional amounts are raised annually from the sales tax at the existing rate and to be authorized to apply for, collect, receive, retain, accept and spend any and all nonfederal grants, license or any other state authorized fees or other revenue sources, not with standing the limitations of Article X, Section 20 of the Colorado Constitution, effective January 1, 1996, provided that no municipal tax rate shall be increased without further voter approval.

The amendment also requires that Emergency Reserves be established. These reserves must be at least three percent of fiscal year spending. This Emergency Reserve has been presented as a restricted fund balance in the General Fund and a restricted net position in the government-wide Statement of Net Position. The Town is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

**NOTE 11 RISK MANAGEMENT**

The Town 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. These risks are covered by commercial insurance purchased from independent third parties. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

***Grant Programs*** – The Town participates in a number of state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

***Litigation*** – The Town is a party to various legal actions normally associated with governmental activities, the aggregate effect which, in management's and legal counsel's opinion, would not be material to the financial statements.

***Construction Projects*** – On April 7, 2023 the Town entered into a grant agreement with the Colorado Department of Local Affairs for \$1,900,000 for the purpose of land acquisition, and a portion of the designing/constructing affordable housing project. The other portion will be paid by Sawmill Development, LLC which they will share an equal equity in the multi-family building with the Town. The Town has spent \$1,805,000 as of December 31, 2023 towards the project and is expecting to finish in 2024 with a total estimated cost of \$1,995,000 for the Town.

## **TOWN OF SOUTH FORK, 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 Town's major special revenue funds. In addition, pension plan contributions and the Town's proportionate share of the net pension liability are required to supplement the basic financial statements.

**TOWN OF SOUTH FORK, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Taxes	\$ 1,202,000	\$ 1,698,970	\$ 1,351,306	\$ (347,664)
Licenses and permits	163,650	183,650	175,311	(8,339)
Intergovernmental revenue				
State grants	-	1,900,000	1,805,000	(95,000)
Shared revenues				
Highway users tax	42,400	42,400	39,965	(2,435)
County road and bridge fund	25,000	25,000	26,596	1,596
Motor vehicle fees	3,000	3,000	1,660	(1,340)
Contributions	-	50,000	55,000	5,000
Charges for services	14,205	14,205	16,316	2,111
Fines and Forfeitures	50,000	50,000	42,718	(7,282)
Interest on accounts	2,010	52,010	40,753	(11,257)
Other	1,000	1,000	6,364	5,364
<b>TOTAL REVENUES</b>	<b>1,503,265</b>	<b>4,020,235</b>	<b>3,560,989</b>	<b>(459,246)</b>
<b>EXPENDITURES</b>				
General government	459,700	459,700	457,957	1,743
Public safety	336,580	338,580	337,760	820
Highways and streets	395,800	455,800	449,575	6,225
Marketing and economic	197,750	197,750	175,324	22,426
Culture and recreation	62,000	62,000	24,085	37,915
Capital outlay	80,000	2,534,970	2,017,930	517,040
Debt Service	1,200	1,200	-	1,200
<b>TOTAL EXPENDITURES</b>	<b>1,533,030</b>	<b>4,050,000</b>	<b>3,462,631</b>	<b>587,369</b>
Excess (Deficiency) of Revenues over Expenditures	(29,765)	(29,765)	98,358	128,123
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	160,000	160,000	-	(160,000)
Transfer Out	-	-	(575,001)	(575,001)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(575,001)</b>	<b>(735,001)</b>
Net Change in Fund Balance	(29,765)	(29,765)	(476,643)	(606,878)
<b>Fund Balance at Beginning of Year</b>	<b>1,104,393</b>	<b>1,104,393</b>	<b>1,648,554</b>	<b>544,161</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,074,628</b>	<b>\$ 1,074,628</b>	<b>\$ 1,171,911</b>	<b>\$ (62,717)</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.  
The schedule is presented on the GAAP basis.

**TOWN OF SOUTH FORK, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**CONSERVATION TRUST FUND**  
**For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Intergovernmental revenue				
State lottery proceeds	\$ 4,000	\$ 17,000	\$ 7,087	\$ (9,913)
Interest on accounts	70	70	85	15
<b>TOTAL REVENUES</b>	<b>4,070</b>	<b>17,070</b>	<b>7,172</b>	<b>(9,898)</b>
<b>EXPENDITURES</b>				
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues over Expenditures	4,070	17,070	7,172	(9,898)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer Out	(15,000)	(28,000)	-	28,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(15,000)</b>	<b>(28,000)</b>	<b>-</b>	<b>28,000</b>
Net Change in Fund Balance	(10,930)	(10,930)	7,172	18,102
<b>Fund Balance at Beginning of Year</b>	<b>81,419</b>	<b>81,419</b>	<b>83,172</b>	<b>1,753</b>
<b>Fund Balance at End of Year</b>	<b>\$ 70,489</b>	<b>\$ 70,489</b>	<b>\$ 90,344</b>	<b>\$ 19,855</b>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.  
The schedule is presented on the GAAP basis.

**TOWN OF SOUTH FORK, COLORADO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**VISITOR CENTER AND MARKETING FUND**  
**For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Intergovernmental revenue				
County grants	\$ 125,000	\$ 239,740	\$ 208,288	\$ (31,452)
Charges for services	42,410	42,410	39,692	(2,718)
Interest on accounts	2	2	13	11
<b>TOTAL REVENUES</b>	<u>167,412</u>	<u>282,152</u>	<u>247,993</u>	<u>(34,159)</u>
<b>EXPENDITURES</b>				
Culture and Recreation				
Silver thread	180,260	295,000	302,367	(7,367)
<b>TOTAL EXPENDITURES</b>	<u>180,260</u>	<u>295,000</u>	<u>302,367</u>	<u>(7,367)</u>
Net Change in Fund Balance	(12,848)	(12,848)	(54,374)	(41,526)
<b>Fund Balance at Beginning of Year</b>	<u>144,149</u>	<u>144,149</u>	<u>152,097</u>	<u>7,948</u>
<b>Fund Balance at End of Year</b>	<u>\$ 131,301</u>	<u>\$ 131,301</u>	<u>\$ 97,723</u>	<u>\$ (33,578)</u>

**Notes to Required Supplementary Information**

The basis of budgeting is the same as GAAP.  
The schedule is presented on the GAAP basis.

**TOWN OF SOUTH FORK, COLORADO**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE**  
**OF THE NET PENSION (ASSET) LIABILITY**

**FPPA SWDB PENSION PLAN**  
**For the Years Ended December 31,**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Town's proportion of the net pension liability (asset)	0.0151351371%	0.0120288952%	0.0152715580%	0.0143192410%	0.0132957427%	0.0144611423%	0.0131696564%	0.0169899296%	0.0185961890%	0.0189890360%
Town's proportionate share of the net pension liability (asset)	\$ 13,434	\$ (65,189)	\$ (33,155)	\$ (8,098)	\$ 16,806	\$ (20,805)	\$ 4,759	\$ (299)	\$ (20,987)	\$ (16,980)
Town's covered payroll	\$ 119,933	\$ 131,680	\$ 96,838	\$ 122,664	\$ 105,535	\$ 89,057	\$ 84,585	\$ 67,656	\$ 82,863	\$ 83,625
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	11.20%	-49.51%	-34.24%	-6.60%	15.92%	-23.36%	5.63%	-0.44%	-2.5%	-2.0%
Plan fiduciary net position as a percentage of the total pension liability	97.6%	116.2%	106.7%	101.9%	95.2%	106.3%	98.2%	100.1%	106.8%	105.8%

\*The amounts presented were determined as of the previous calendar year-end.

**TOWN OF SOUTH FORK, COLORADO**  
**SCHEDULE OF TOWN CONTRIBUTIONS**  
**FPPA SWDB PENSION PLAN**  
**For the Years Ended December 31,**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 11,394	\$ 11,851	\$ 8,231	\$ 9,813	\$ 8,443	\$ 7,125	\$ 6,767	\$ 5,932	\$ 6,629	\$ 6,690
Contributions in relation to the contractually required contribution	(11,394)	(11,851)	(8,231)	(9,813)	(8,443)	(7,125)	(6,767)	(5,932)	(6,629)	(6,690)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	119,933	131,680	96,838	122,664	105,535	89,057	84,585	67,656	82,863	83,625
Contributions as a percentage of covered payroll	9.50%	9.00%	8.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

**TOWN OF SOUTH FORK, COLORADO**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS**  
**For the Year Ended December 31, 2023**

**NOTE 1 NET PENSION LIABILITY**

Changes in assumptions or other inputs effective for the December 31st measurement period for the following years ended:

*2022* Post-retirement mortality assumptions were changed to the Pub-2010 Safely Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees.

- The municipal bond rate increased from 1.84 percent to 4.05 percent.

*2021* There were no changes in assumptions or other inputs this measurement period compared to prior year.

*2020* There were no changes in assumptions or other inputs this measurement period compared to prior year.

*2019*

- Reduced the real return rate from 5.0% to 4.50%, combined with an unchanged inflation rate of 2.50%, reduced the nominal investment assumption from 7.50% to 7.00%.
- Increased the productivity component of the salary scale assumption from 1.50% to 1.75%. Combined with the inflation rate of 2.50%, this creates an ultimate salary scale assumption of 4.25%.
- Removed the blue collar adjustment from the mortality tables being used and updated the mortality projection scale from Scale BB to the ultimate rates of the MP-2017 projection scale.
- Increased disability rates for members covered by a defined benefit program.
- Slightly modified retirement rates to reflect increased retirement utilization for low service members and slightly decreased the normal retirement rates after age 55.
- Limited the amortization period used to determine the Actuarially Determined Contribution Rate such that no negative amortization results (the payment always covers at least the interest on the unfunded liability).

*2018*

- The Long-Term Investment Rate of Return was lowered from 7.5% to 7.0%
- Projected Salary Increases changed from 4.0%-14.0% to 4.25%-11.25%
- Increase the expected incidence of Disability for members of FPPA's defined benefit plans.

*2017* There were no changes in assumptions or other inputs this measurement period compared to prior year

*2016* There were no changes in assumptions or other inputs this measurement period compared to prior year

*2015*

- The Inflation assumption was reduced from 3.0% to 2.5%
- Added an explicit charge for administrative expenses in the actuarial contribution calculation.
- Revised the base mortality tables and the explicit assumption for increasing longevity in the future to reflect current mortality studies.
- Increase the expected incidence of Total Disability for members of FPPA's defined benefit plans.

**TOWN OF SOUTH FORK, COLORADO**

**SUPPLEMENTARY INFORMATION**

**TOWN OF SOUTH FORK, COLORADO**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET POSITION- BUDGET AND ACTUAL (NON-GAAP)**  
**WATER ENTERPRISE FUND**  
**For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>FINAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>FINAL BUDGET</b>
				<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>OPERATING REVENUES</b>				
Service Charges	\$ 236,885	\$ 236,885	\$ 278,568	\$ 41,683
Miscellaneous	26,800	26,800	10	(26,790)
<b>TOTAL OPERATING REVENUES</b>	<b>263,685</b>	<b>263,685</b>	<b>278,578</b>	<b>14,893</b>
<b>OPERATING EXPENSES</b>				
Salaries	42,000	42,000	34,553	7,447
Supplies	10,100	10,100	5,887	4,213
Professional Services	28,500	28,500	24,306	4,194
Utilities, Gas and Oil	20,000	20,000	20,359	(359)
Equipment Repairs and Maintenance	184,100	66,033	6,499	59,534
Insurance	-	-	-	-
Miscellaneous	21,000	21,000	225	20,775
Capital Outlay	-	-	850,543	(850,543)
<b>TOTAL OPERATING EXPENSES</b>	<b>305,700</b>	<b>187,633</b>	<b>942,372</b>	<b>(754,739)</b>
Operating Income (Loss)	(42,015)	76,052	(663,794)	(739,846)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Grant Revenue	10,000	10,000	49,903	39,903
Loan Proceeds	-	-	-	-
Debt Payments	(114,367)	(114,367)	(114,367)	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(104,367)</b>	<b>(104,367)</b>	<b>(64,464)</b>	<b>39,903</b>
Income Before Contributions and Transfers	(146,382)	(28,315)	(728,258)	(699,943)
<b>CAPITAL CONTRIBUTIONS</b>				
Donated Capital	-	-	300,000	300,000
Tap Fees	12,000	12,000	19,200	7,200
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>12,000</b>	<b>12,000</b>	<b>319,200</b>	<b>307,200</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	-	-	575,001	575,001
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>575,001</b>	<b>575,001</b>
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>12,000</b>	<b>12,000</b>	<b>894,201</b>	<b>882,201</b>
Net Income (Loss) - Budget Basis	(134,382)	(16,315)	165,943	<u>\$ 182,258</u>
Add: Capital Outlay			850,543	
Add: Principal Payments on Debt			93,052	
Less: Depreciation			(172,311)	
Change in Net Position - GAAP Basis			937,227	
<b>Net Position at Beginning of Year</b>	<b>341,744</b>	<b>341,744</b>	<b>2,180,944</b>	
<b>Net Position at End of Year</b>	<b>\$ 207,362</b>	<b>\$ 325,429</b>	<b>\$ 3,118,171</b>	

**TOWN OF SOUTH FORK, COLORADO**  
**OTHER SCHEDULES AND REPORTS**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: South Fork
		YEAR ENDING : December 31, 2023
This Information From The Records of Town of South Fork	Prepared By: Phone:	Marcus Shawcroft 719-588-4858

**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:	298,450
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	52,004	b. Snow and ice removal	
3. Other local imposts (from page 2)	397,878	c. Other	
4. Miscellaneous local receipts (from page 2)	58,105	d. Total (a. through c.)	0
5. Transfers from toll facilities		4. General administration & miscellaneo	143,453
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	109,773
a. Bonds - Original Issues		6. Total (1 through 5)	551,676
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	507,986	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	43,689	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>	551,675	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<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>	551,676

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
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
	551,675	551,676		(0)

Notes and Comments:

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: Colorado
	YEAR ENDING (mm/yy): December 31, 2023

**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	107,965	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	58,042
1. Sales Taxes	263,317	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	26,596	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	62
5. Specific Ownership &/or Other	0	g. Other Misc. Receipts	
6. Total (1. through 5.)	289,913	h. Other	
c. Total (a. + b.)	397,878	i. Total (a. through h.)	58,105
	(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	42,029	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	1,660	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	1,660	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	43,689	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	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	0	0
(4). System Enhancement & Operation	0	0	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:**