

**CITY OF
FLORENCE, COLORADO**

BASIC FINANCIAL STATEMENTS

December 31, 2023

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FINANCIAL SECTION



**PROSPECTIVE
BUSINESS
SOLUTIONS, LLC**
Certified Public Accountants

Auditing, Accounting, and Consulting Services for
Governments and Nonprofit Organizations

Honorable Mayor and Members of the City Council
City of Florence
Florence, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Florence (the "City"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 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 (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 the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of the City's proportionate share of its net pension liability, and the schedule of the City's contributions to the defined benefit pension plan on pages 36-38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the local highway finance report are fairly stated in all material respects in relation to the financial statements as a whole.

PB Solutions LLC

Littleton, Colorado
May 14, 2024

City of Florence

Management's Discussion and Analysis

The Management Discussion and Analysis (MD&A) is designed to provide an easy-to-read discussion of the City of Florence's (City) financial condition and operating results and to disclose to the reader important financial activities and issues related to the City's basic operations and mission.

The City has two separate financial categories or activities - government-type activities and those covered or referred to as business type activities. Within the government type activities, the City Council has designated eleven separate budgets: a General Fund, a Police Equipment/Supplies Fund, an Equipment Replacement Fund, a Conservation Trust Fund, a Capital Improvements Fund, a Community Projects Fund, a Cemetery Construction Fund, a Pool, Park and Recreation Fund, a Capital Projects Fund, a Recreation Fund, and a Perpetual Care Trust Fund. The government type activities are funded through the City's ad-valorem property tax, sales and use taxes, highway user's tax and fees for services. The business-type activities are in one Enterprise: The Water Fund. The Water Fund receives revenue through water sales, water tap fees and other fees.

DESCRIPTION OF FINANCIAL STATEMENTS

This annual report consists of four parts - management's *discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and *other supplemental schedules*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations *in more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

Government-wide Statements

The government-wide statements consist of the Statement of Net Position and the Statement of Activities. These statements report information about the City as a whole and include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in net position. The City's net position, the difference between assets and liabilities, is one way to measure the City's financial health, or *financial position*. Over time, increases or decreases in the City's net position are one indicator of whether its financial

health is improving or deteriorating. Other non-financial factors, however, such as changes in the City's property tax base, are needed to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, the city is divided into two kinds of activities:

- **Governmental Activities** - The activity of the City for its General Fund (which includes the Police Equipment/Supplies Fund, Equipment Replacement Fund, and the Capital Improvement Fund), Conservation Trust, Capital Projects Fund (which includes the Community Projects Fund and the Cemetery Construction Fund), the Pool, Park and Recreation Fund (which includes the Recreation Fund) are reported here. Property taxes, specific ownership taxes, highway user's tax, sales tax, fees for services and interest income are the sources that fund most of these activities.
- **Business-Type Activities** - The City manages one enterprise fund, the Water Fund. The Water Fund develops and operates the City's water supply and assets and the water supply and assets of the Regional Water System.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's funds, focusing on its most significant funds - not the City as a whole. The City's two kinds of funds, *governmental and proprietary* - use different accounting principles.

Governmental fund - The City's activity of its General and special revenue funds are reported as governmental funds, which focus on how money flows into and out of the funds and the balances left at year-end. Governmental funds report using an accounting principle called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statement provides a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

Proprietary (Enterprise) fund - the activity of the City's Enterprise fund is reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund is the same as the business-type activities reported in the governmental-wide statements but provide more detail and additional information, such as cash flows.

HIGHLIGHTS

Governmental Activities

- Total assets and deferred outflows for governmental activities on December 31, 2023, were \$9,443,734.
- Total liabilities and deferred inflows for governmental activities on December 31, 2023, were \$1,779,816.
- Total net position was increased by \$314,916 to \$7,663,918.

Business-type Activities

- In 2023, total assets were \$29,311,504 compared to \$29,370,796 at the end of fiscal year 2022. This is a decrease of \$52,292 in 2023, revenues from water sales increased by \$33,100 from \$4,198,695 to \$4,010,399.
- Total Enterprise liabilities decreased from \$12,831,067 in 2022 to \$11,830,198 in 2023 a decrease of \$1,000,869.
- Total net position increased by \$917,796 to \$17,719,117 on December 31, 2023.

STATEMENTS OF NET POSITION

The perspective of the statement of net position is of the city as a whole. Following is a summary of the City's net position for 2023 and 2022:

	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 6,664,512	\$ 6,743,170	\$ 10,370,449	\$ 10,513,888	\$ 17,034,961	\$ 14,854,150
Capital assets	2,273,897	2,529,378	18,941,055	18,856,908	21,214,952	\$ 22,754,711
Total assets	<u>8,938,409</u>	<u>9,272,548</u>	<u>29,311,504</u>	<u>29,370,796</u>	<u>38,249,913</u>	<u>38,643,344</u>
Deferred outflows of resource:	<u>505,325</u>	<u>262,401</u>	<u>237,811</u>	<u>261,592</u>	<u>505,325</u>	<u>262,401</u>
Long-term debt outstanding	87,324	78,354	11,758,004	12,773,093	11,845,328	12,851,447
Other liabilities	<u>789,849</u>	<u>1,124,894</u>	<u>72,194</u>	<u>57,974</u>	<u>862,043</u>	<u>1,182,868</u>
Total liabilities	<u>877,173</u>	<u>1,203,248</u>	<u>11,830,198</u>	<u>12,831,067</u>	<u>12,707,371</u>	<u>14,034,315</u>
Deferred Inflow of Resources						
Related to pensions	118,336	263,457		-	118,336	263,457
Deferred Property Tax Revenue	784,307	719,242	-	-	784,307	719,242
Net Position						
Net Investment in Capital Assets	2,273,897	2,529,378	7,183,051	6,083,815	9,456,948	8,613,193
Restricted	2,114,832	1,860,387	-	-	2,114,832	1,860,387
Unrestricted	<u>3,275,189</u>	<u>2,959,237</u>	<u>10,536,066</u>	<u>10,717,506</u>	<u>13,811,255</u>	<u>13,676,743</u>
Total Net Position	<u>\$ 7,663,918</u>	<u>\$ 7,349,002</u>	<u>\$ 17,719,117</u>	<u>\$ 16,801,321</u>	<u>\$ 25,383,035</u>	<u>\$ 24,150,323</u>

The change in net position for the Governmental Activities was an increase of \$314,916. The change in net position for the Business-Type Activities was an increase of \$917,796 with an overall increase of \$1,232,712.

STATEMENTS OF ACTIVITIES

The perspective of the statement of activities is of the city as a whole. The following table reflects the change in net position for fiscal year 2023 and 2022.

	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Charges for services	\$ 214,921	\$ 431,238	\$ 4,010,399	\$ 4,198,695	\$ 4,225,320	\$ 4,629,933
Operating grants and contributions	213,236	266,975	-	-	213,236	266,975
Capital grants and contributions	480,000	1,124,160	376,914	157,171	856,914	1,281,331
Total Program Revenues	908,157	1,822,373	4,387,313	4,355,866	5,295,470	6,178,239
General Revenues:						
Property taxes	725,112	735,522	-	-	725,112	735,522
Sales and use taxes	1,891,054	1,784,717	-	-	1,891,054	1,784,717
Other general revenues	924,101	862,121	487,261	197,812	1,411,362	1,059,933
Total General Revenues	3,540,267	3,382,360	487,261	197,812	4,027,528	3,580,172
Total Revenue	4,448,424	5,204,733	4,874,574	4,553,678	9,322,998	9,758,411
Program Expenses:						
General government	1,460,756	1,184,127	-	-	1,460,756	1,184,127
Public Safety	1,433,217	1,253,893	-	-	1,433,217	1,253,893
Public works	1,092,211	1,279,762	-	-	1,092,211	1,279,762
Planning and building	135,034	234,412	-	-	135,034	234,412
Parks and recreation	366,764	431,604	-	-	366,764	431,604
Water	-	-	3,239,968	2,825,533	3,239,968	2,825,533
Interest on long-term debt	-	-	362,336	391,315	362,336	391,315
Total Expenses	4,487,982	4,383,798	3,602,304	3,216,848	8,090,286	7,600,646
Transfers	354,474	613,545	(354,474)	(613,545)	-	-
Increase (Decrease) in Net Position	314,916	1,434,480	917,796	723,285	1,232,712	2,157,765
Beginning Net Position	7,349,002	5,914,522	16,801,321	16,078,036	24,150,323	21,992,558
Ending Net Position	\$ 7,663,918	\$ 7,349,002	\$ 17,719,117	\$ 16,801,321	\$ 25,383,035	\$ 24,150,323

Budgetary Analysis of the General Fund

For the year ended December 31, 2023, actual revenues, including transfers from other funds, of \$4,477,815 were \$214,838 more than budgeted. Sales and Use Taxes had grown above the estimated amounts, which contributed to the increase in revenues. In addition, the City recognized grant funds as revenue that were deferred from the previous year. Investment revenue of \$291,952 was \$283,552 greater than estimated due to the substantial increase in interest rates during the year.

Actual expenditures, included transfers to other funds of \$4,098,113, were \$142,053 less than budgeted. The most significant cost savings were achieved in the public safety and planning departments.

The City amended the originally adopted 2023 budget for the Pool Park and Recreation Fund. No other budgets were amended.

**CAPITAL ASSETS AND DEBT
ADMINISTRATION - CITY WIDE**

At year-end the city had \$21,214,952 invested in a broad range of capital assets including buildings, vehicles and other equipment, and water treatment facilities. The City’s governmental activities report \$2,273,897 in capital assets and the business-type activities report \$18,941,055 in capital assets as of December 31, 2023.

DEBT OUTSTANDING

The City's business-type activities long-term debt consists of water revenue bonds and a loan. In 2021, the City refinanced its outstanding Series 2013A and 2013B Bonds and issued Series 2021A and 2021B. As of December 31, 2023, the outstanding balance of both bonds and loans is \$11,758,004. Activity for Governmental Activities and Business-Type Activities during the year are as follows:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 78,354	\$ 8,970	\$ -	\$ 87,324	\$ -
Total Governmental Activities	<u>\$ 78,354</u>	<u>\$ 8,970</u>	<u>\$ -</u>	<u>\$ 87,324</u>	<u>\$ -</u>
Business-Type Activities					
Notes from Direct Borrowings	\$ 2,928,093	\$ -	\$ 942,089	\$ 1,986,004	\$ 995,510
Revenue Refunding bonds	9,845,000	-	73,000	9,772,000	97,000
Compensated Absences	11,703	5,257	-	16,960	-
Total	<u>\$ 12,784,796</u>	<u>\$ 5,257</u>	<u>\$ 1,015,089</u>	<u>\$ 11,774,964</u>	<u>\$ 1,092,510</u>

ECONOMIC AND OTHER FACTORS

The economy of the City of Florence, and the surrounding region, continues to grow at a rapid rate, sales tax and property values have been enjoying good economic times.

In November 2005, the voters approved an additional 1/2% sales tax to fund pool operations and construction of a new pool. This tax started January 1, 2006. The tax was approved with a 10-year clause that sunset December 2015. This ½% sales tax was extended by the voters to be used for street repairs starting January 1, 2016.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the general public with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, please contact:

Finance Officer
City of Florence
600 West Third Street
Florence, CO 81226
Tel: (719) 748-4848 ext. 223
Fax: (719) 784-0228

BASIC FINANCIAL STATEMENTS

CITY OF FLORENCE, COLORADO

STATEMENT OF NET POSITION

December 31, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	\$ 5,548,024	\$ 10,006,729	\$ 15,554,753
Receivables			
Property Taxes	784,307	-	784,307
Sales and Other	322,581	-	322,581
Accounts	-	258,799	258,799
Prepaid Expenses	9,600	421	10,021
Inventory	-	104,500	104,500
Capital Assets, Not Depreciated	131,628	1,215,727	1,347,355
Capital Assets, Depreciated, Net of Accumulated Depreciation	2,142,269	17,725,328	19,867,597
TOTAL ASSETS	8,938,409	29,311,504	38,249,913
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions	505,325	-	505,325
Deferred Charges	-	237,811	237,811
TOTAL DEFERRED OUTFLOWS OF RESOURCES	505,325	237,811	743,136
LIABILITIES			
Accounts Payable	92,469	14,132	106,601
Accrued Expenses	89,661	8,856	98,517
Unearned Revenue	559,066	-	559,066
Accrued Interest Payable	-	28,038	28,038
Noncurrent Liabilities			
Due Within One Year	-	1,092,510	1,092,510
Due in More Than One Year	-	10,665,494	10,665,494
Deposits	-	4,208	4,208
Compensated Absences	87,324	16,960	104,284
Net Pension Liability	48,653	-	48,653
TOTAL LIABILITIES	877,173	11,830,198	12,707,371
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions	118,336	-	118,336
Deferred Property Tax Revenue	784,307	-	784,307
TOTAL DEFERRED INFLOWS OF RESOURCES	902,643	-	902,643
NET POSITION			
Net Investment in Capital Assets	2,273,897	7,183,051	9,456,948
Restricted	2,114,832	-	2,114,832
Unrestricted	3,275,189	10,536,066	13,811,255
TOTAL NET POSITION	\$ 7,663,918	\$ 17,719,117	\$ 25,383,035

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

CITY OF FLORENCE, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 1,460,756	\$ 155,868	\$ 5,223	\$ -
Public Safety	1,433,217	1,200	-	-
Public Works	1,092,211	-	152,880	480,000
Planning	135,034	-	-	-
Parks and Recreation	366,764	57,853	55,133	-
Total Governmental Activities	4,487,982	214,921	213,236	480,000
Business-Type Activities				
Water	3,239,968	4,010,399	-	376,914
Interest and Fiscal Charges	362,336	-	-	-
Total Business-Type Activities	3,602,304	4,010,399	-	376,914
GENERAL REVENUES				
Local Property Taxes				
Specific Ownership Taxes				
Sales and Use Tax				
Other Taxes				
Other Revenues				
Earnings on Investments				
Transfers				
TOTAL GENERAL REVENUES				
CHANGE IN NET POSITION				
NET POSITION, Beginning				
NET POSITION, Ending				

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
\$ (1,299,665)	\$ -	\$ (1,299,665)
(1,432,017)	-	(1,432,017)
(459,331)	-	(459,331)
(135,034)	-	(135,034)
(253,778)	-	(253,778)
<u>(3,579,825)</u>	<u>-</u>	<u>(3,579,825)</u>
-	1,147,345	1,147,345
-	(362,336)	(362,336)
<u>-</u>	<u>785,009</u>	<u>785,009</u>
725,112	-	725,112
86,760	-	86,760
1,891,054	-	1,891,054
22,271	-	22,271
434,079	127,761	561,840
380,991	359,500	740,491
354,474	(354,474)	-
<u>3,894,741</u>	<u>132,787</u>	<u>4,027,528</u>
314,916	917,796	1,232,712
<u>7,349,002</u>	<u>16,801,321</u>	<u>24,150,323</u>
<u>\$ 7,663,918</u>	<u>\$ 17,719,117</u>	<u>\$ 25,383,035</u>

CITY OF FLORENCE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Investments	\$ 3,358,654	\$ 2,189,370	\$ 5,548,024
Taxes Receivable	784,307	-	784,307
Accounts Receivable	269,955	52,626	322,581
Prepaid Expenses	9,600	-	9,600
TOTAL ASSETS	<u>\$ 4,422,516</u>	<u>\$ 2,241,996</u>	<u>\$ 6,664,512</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 92,269	\$ 200	\$ 92,469
Accrued Expenses	89,661	-	89,661
Unearned Revenues	559,066	-	559,066
TOTAL LIABILITIES	<u>740,996</u>	<u>200</u>	<u>741,196</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenues	784,307	-	784,307
FUND BALANCES			
Nonspendable	9,600	-	9,600
Restricted	112,000	2,002,832	2,114,832
Committed	-	238,964	238,964
Unassigned	2,775,613	-	2,775,613
TOTAL FUND BALANCES	<u>2,897,213</u>	<u>2,241,796</u>	<u>5,139,009</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 4,422,516</u>	<u>\$ 2,241,996</u>	<u>\$ 6,664,512</u>

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

CITY OF FLORENCE, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
Year Ended December 31, 2023

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

Total fund balances of governmental funds			\$ 5,139,009
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.			
	Capital Assets, Not Depreciated	131,628	
	Capital Assets, Depreciated	8,021,437	
	Accumulated Depreciation	<u>(5,879,168)</u>	2,273,897
Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds.			
	Compensated Absences	(87,324)	
	Net Pension Liability	<u>(48,653)</u>	(135,977)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.			
	Deferred outflows of resources - Related to Pension Plan	505,325	
	Deferred inflows of resources - Related to Pension Plan	<u>(118,336)</u>	<u>386,989</u>
Net position of governmental activities			<u>\$ 7,663,918</u>

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

CITY OF FLORENCE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Property Taxes	\$ 725,112	\$ -	\$ 725,112
Specific Ownership Taxes	86,760	-	86,760
Sales and Use Taxes	1,512,892	378,162	1,891,054
Franchise Fees	234,937	-	234,937
Intergovernmental Revenue	660,374	55,133	715,507
Licenses and Permits	104,334	-	104,334
Charges for Services	17,968	57,853	75,821
Fines and Forfeitures	34,766	-	34,766
Sale of Assets	3,350	-	3,350
Earnings on Investments	291,952	89,039	380,991
Miscellaneous	164,540	31,252	195,792
TOTAL REVENUES	3,836,985	611,439	4,448,424
EXPENDITURES			
Current			
General Government	1,075,151	-	1,075,151
Public Safety	1,201,017	-	1,201,017
Public Works	923,643	-	923,643
Planning	135,034	-	135,034
Parks and Recreation	189,113	112,801	301,914
Capital Outlay	317,265	193,010	510,275
TOTAL EXPENDITURES	3,841,223	305,811	4,147,034
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,238)	305,628	301,390
OTHER FINANCING SOURCES (USES)			
Transfers In	640,830	15,524	656,354
Transfers Out	(256,880)	(45,000)	(301,880)
TOTAL OTHER FINANCING SOURCES (USES)	383,950	(29,476)	354,474
NET CHANGE IN FUND BALANCES	379,712	276,152	655,864
FUND BALANCES, Beginning	2,517,501	1,965,644	4,483,145
FUND BALANCES, Ending	<u>\$ 2,897,213</u>	<u>\$ 2,241,796</u>	<u>\$ 5,139,009</u>

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

CITY OF FLORENCE, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

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

Net change in fund balances - total governmental funds		\$ 655,864
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>		
	Capital Outlay	209,019
	Depreciation	<u>(464,500)</u>
		(255,481)
<p>Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.</p>		
	Changes in Compensated Absences	(8,970)
<p>Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.</p>		
	Deferred charges related to Pension Plan	<u>(76,497)</u>
Change in net position of governmental activities		<u><u>\$ 314,916</u></u>

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

CITY OF FLORENCE, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 December 31, 2023

	<u>WATER</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 10,006,729
Accounts Receivable	258,799
Prepaid Expenses	421
Inventory	<u>104,500</u>
Total Current Assets	<u>10,370,449</u>
Noncurrent Assets	
Capital Assets, Not Being Depreciated	1,215,727
Capital Assets, Net of Accumulated Depreciation	<u>17,725,328</u>
Total Noncurrent Assets	<u>18,941,055</u>
TOTAL ASSETS	<u>29,311,504</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charges	<u>237,811</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	14,132
Accrued Expenses	8,856
Accrued Interest Payable	28,038
Bonds Payable, Current Portion	97,000
Notes Payable, Current Portion	<u>995,510</u>
Total Current Liabilities	<u>1,143,536</u>
Noncurrent Liabilities	
Deposits	4,208
Accrued Compensated Absences	16,960
Bonds Payable	9,675,000
Notes Payable	<u>990,494</u>
Total Noncurrent Liabilities	<u>10,686,662</u>
NET POSITION	
Net Investment in Capital Assets	7,183,051
Unrestricted	<u>10,536,066</u>
TOTAL NET POSITION	<u><u>\$17,719,117</u></u>

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

CITY OF FLORENCE, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGE IN NET POSITION
PROPRIETARY FUND
Year Ended December 31, 2023

	<u>WATER</u>
OPERATING REVENUES	
Charges for Services	\$ 2,804,656
Debt Retirement	1,205,743
Other Revenues	<u>127,761</u>
 TOTAL OPERATING REVENUES	 <u>4,138,160</u>
OPERATING EXPENSES	
Administration	140,193
Personnel Services	731,953
Water System	850,684
Water Distribution	254,111
Depreciation	<u>1,263,027</u>
 TOTAL OPERATING EXPENSES	 <u>3,239,968</u>
 NET OPERATING INCOME	 <u>898,192</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	359,500
Interest Expense	<u>(362,336)</u>
 TOTAL NON-OPERATING REVENUES (EXPENSES)	 <u>(2,836)</u>
 INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	 <u>895,356</u>
Tap Fees	216,465
Capital Contributions	160,449
Transfers In	241,356
Transfers Out	<u>(595,830)</u>
 CHANGE IN NET POSITION	 917,796
 NET POSITION, Beginning	 <u>16,801,321</u>
 NET POSITION, Ending	 <u><u>\$17,719,117</u></u>

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

CITY OF FLORENCE, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 Year Ended December 31, 2023
 Increase (Decrease) in Cash and Cash Equivalents

	<u>WATER</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 4,351,056
Cash Paid to Suppliers and Employees	(1,981,588)
Net Cash Provided by Operating Activities	<u>2,369,468</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Payments to/from Other Funds	(354,474)
Net Cash Used by Noncapital Financing Activities	<u>(354,474)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(1,347,174)
Principal Payments on Long Term Debt	(1,015,089)
Interest Payments	(338,556)
Tap Fees and Capital Contributions	376,914
Net Cash Used by Capital Financing Activities	<u>(2,323,905)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	<u>359,500</u>
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	50,589
CASH AND CASH EQUIVALENTS, Beginning	<u>9,956,140</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 10,006,729</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 898,192
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	1,263,027
Loss on Disposal of Assets	-
Changes in Assets and Liabilities	
Accounts Receivable	212,896
Inventory	(18,868)
Prepaid Expenses	-
Accounts Payable	6,211
Accrued Expenses	2,753
Accrued Compensated Absences	5,257
Total Adjustments	<u>1,471,276</u>
Net Cash Provided by Operating Activities	<u><u>\$ 2,369,468</u></u>

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

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Florence, Colorado (the “City”) was incorporated in 1887. The City is governed by a city manager and a seven-member council (including the mayor) elected by the residents.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the City and organizations for which the City is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the City. In addition, any legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the City.

Based upon the application of these criteria, the City does not include any additional organizations in its reporting entity.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Property taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

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

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

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

In the fund financial statements, the City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The City reports the following major proprietary fund:

The *Water Fund* accounts for the financial activities associated with the provision of water to residents and businesses within the City limits.

Additionally, the City reports the following fund type:

Permanent Fund – The *Perpetual Care Fund* accounts for activities of the City's cemetery, including the sale of plots and maintenance.

Assets, Liabilities, and Fund Balance/Net Position

Cash and Cash Equivalents – For purposes of the statement of cash flows, the City considers cash and cash equivalents to be all demand deposits as well as short-term investments with a maturity date of three months or less. Investments are stated at fair value.

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

Prepaid Items – On the government-wide and governmental fund financial statements, prepaid expenses are presented using the consumption method.

Inventory - Inventories are valued at cost. Inventory in the proprietary fund consists of expendable supplies held for future consumption. The cost is recorded as an expense as the inventory items are consumed.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Capital Assets – Capital assets, which include land, water rights, infrastructure, utility plat and lines, and property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10-30 years
Pool	5 -30 years
Water Treatment Plant	5-50 years
Water Transmission and Distribution System	20-50 years
Regional Assets	10-40 years
Infrastructure	10 years
Machinery and Equipment	3-10 years

Unearned Revenues – The unearned revenues include amounts received but not yet available for expenditure.

Compensated Absences – City employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. Upon termination of employment, employees are entitled to receive compensation for any unused vacation time, up to a maximum number of hours the employee has earned during the previous year of employment, at their current rate of pay. These compensated absences are expensed when paid in the governmental fund types. Compensated absences are expensed when earned in the proprietary fund type. A long-term liability has been recorded in the governmental activities and business-type activities in the statement of net position for the accrued benefits.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Deferred Outflows and Deferred Inflows of Resources – In addition to assets, the statement of financial position and balance sheets 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 and fund balance 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 and balance sheets 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 and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Debt – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

Pensions – The City participates in the Statewide Defined Benefit Plan (SWDBP), a cost-sharing, multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to and deductions from the fiduciary net position of the SWDBP have been determined using the economic resources measurement focus and the accrual basis of accounting, the same basis of accounting used by the plan. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Employer contributions are recognized in the year the contributions are paid.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Property Taxes – Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent, and penalties and interest may be assessed by the County Treasurer on the postmark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. The County Treasurer’s Office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, receivables and corresponding deferred inflows of resources are reported at year end.

Net Position– The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third-party limitation on their use. While City management may have categorized and segmented portions for various purposes, the City Council has the unrestricted right to revisit or alter these managerial decisions.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The City reports prepaid expenses as nonspendable fund balances on December 31, 2023.

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the City reports restricted fund balances in the Conservation Trust Fund, Pool Park and Recreation Fund, Street Improvement Fund, and Perpetual Care Reserve Fund. These balances are restricted for capital and infrastructure improvements, and parks and recreation.

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City reports the fund balance in the Capital Projects Fund as committed resources for the fund purpose as of December 31, 2023.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The City does not report any assigned fund balances as of December 31, 2023.

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balance.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The City carries commercial insurance for these risks of loss.

Subsequent Events

The City has evaluated events subsequent to the year ended December 31, 2023 through May 14, 2024, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparison for the proprietary fund is presented on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure and depreciation is not budgeted. Annual appropriated budgets are adopted for all funds. All appropriations lapse at fiscal year-end.

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. Management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, revisions that alter the total expenditures of any fund must be approved by the City Council.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the City Council.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 3: CASH AND INVESTMENTS

Cash and investments on December 31, 2023 consist of the following:

Petty Cash	\$ 600
Deposits	2,252,405
Investments	<u>13,301,748</u>
Total	<u>\$ 15,554,753</u>

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

Cash and Investments - Governmental Activities	\$ 5,548,024
Cash and Investments - Business-Type Activities	<u>10,006,729</u>
Total	<u>\$ 15,554,753</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. On December 31, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the City are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The City has no policy regarding custodial credit risk for deposits.

On December 31, 2023, the City had deposits with financial institutions with a carrying amount of \$2,252,405. The bank balances with the financial institutions were \$2,395,547. Of these balances, \$1,007,837 was covered by federal depository insurance and \$1,387,710 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Investments

The City is required to comply with State statutes and the City's investment policy which specify investment instruments meeting defined rating, maturity, and concentration of credit risk criteria in which the City may invest.

Interest Rate Risk

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

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Concentration of Credit Risk

Except for corporate securities, State statutes do not limit the amount the City may invest in any single investment or issuer.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Investments (Continued)

Local Government Investment Pools

The City had invested \$13,301,748 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor’s. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned 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 entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool’s share price multiplied by the number of shares held. The government-investor does not “look through” the pool to report a pro rata share of the pool’s investments, receivables, and payables.

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CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 4: CAPITAL ASSETS

	<u>Balance</u> <u>12/31/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2023</u>
Governmental Activities				
Capital Assets, Not Depreciated				
Land	\$ 125,693	\$ -	\$ -	\$ 125,693
Easements	5,935	-	-	5,935
Total Capital Assets, Not Depreciated	<u>131,628</u>	<u>-</u>	<u>-</u>	<u>131,628</u>
Capital Asset, Being Depreciated				
Buildings and Improvements	2,369,596	-	-	2,369,596
Pool	611,460	-	-	611,460
Infrastructure	2,106,964	209,019	-	2,315,983
Machinery and Equipment	2,724,398	-	-	2,724,398
Total Capital Assets, Being Depreciated	<u>7,812,418</u>	<u>209,019</u>	<u>-</u>	<u>8,021,437</u>
Accumulated Depreciation				
Buildings and Improvements	2,007,882	104,243	-	2,112,125
Pool	549,108	18,594	-	567,702
Infrastructure	1,673,645	96,835	-	1,770,480
Machinery and Equipment	1,184,033	244,828	-	1,428,861
Total Depreciation	<u>5,414,668</u>	<u>464,500</u>	<u>-</u>	<u>5,879,168</u>
Capital Assets, Depreciated Net	<u>2,397,750</u>	<u>(255,481)</u>	<u>-</u>	<u>2,142,269</u>
Net Capital Assets	<u>\$ 2,529,378</u>	<u>\$ (255,481)</u>	<u>\$ -</u>	<u>\$ 2,273,897</u>

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

Governmental Activities	
General Government	\$ 75,379
Public Safety	155,703
Public Works	168,568
Parks and Recreation	<u>64,850</u>
Total	<u>\$ 464,500</u>

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 4: CAPITAL ASSETS (Continued)

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023
Business-Type Activities				
Capital Assets, Not Depreciated				
Land	\$ 79,425	\$ 4,000	\$ -	\$ 83,425
Water Rights	1,132,302	-	-	1,132,302
Total Capital Assets, Not Depreciated	1,211,727	4,000	-	1,215,727
Capital Asset, Being Depreciated				
Water Treatment Plant	4,623,399	-	-	4,623,399
Transmission and Distribution	7,499,542	1,183,006	-	8,682,548
Regional Assets	28,138,879	-	-	28,138,879
Machinery and Equipment	2,595,740	160,168	-	2,755,908
Total Capital Assets, Being Depreciated	42,857,560	1,343,174	-	44,200,734
Accumulated Depreciation				
Water Treatment Plant	3,643,184	119,430	-	3,762,614
Transmission and Distribution	5,533,178	273,524	-	5,806,702
Regional Assets	14,195,777	722,491	-	14,918,268
Machinery and Equipment	1,840,240	147,582	-	1,987,822
Total Depreciation	25,212,379	1,263,027	-	26,475,406
Capital Assets, Depreciated Net	17,645,181	80,147	-	17,725,328
Net Capital Assets	\$ 18,856,908	\$ 84,147	\$ -	\$ 18,941,055

NOTE 5: LONG-TERM DEBT

The following is a summary of the City's long-term debt transactions for the year ended December 31, 2023:

Governmental Activities	12/31/2022			12/31/2023	
	Balance	Increases	Decreases	Balance	Due Within One Year
Compensated Absences	\$ 78,354	\$ 8,970	\$ -	\$ 87,324	\$ -

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

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities	12/31/2022			12/31/2023	
	Balance	Increases	Decreases	Balance	Due Within One Year
Revenue Refunding Bonds	\$ 9,845,000	\$ -	\$ 73,000	\$ 9,772,000	\$ 97,000
Notes from direct borrowings	2,928,093	-	942,089	1,986,004	995,510
Compensated Absences	11,703	5,257	-	16,960	-
Total	<u>\$12,784,796</u>	<u>\$ 5,257</u>	<u>\$1,015,089</u>	<u>\$11,774,964</u>	<u>\$1,092,510</u>

Water Enterprise Revenue Refunding Bonds, Series 2021A and 2021B

In January 2021, the City issued Water Enterprise Revenue Refunding Bonds, Series 2021A and 2021B in the amount of \$9,184,000 and \$789,000, respectively. Proceeds of the bonds were used to refund the City’s Series 2013A and 2013B Water Revenue Refunding and Improvement Bonds. The 2021A bonds carry an interest rate of 2.97% and the 2021B bonds carry an interest rate of 2.15%. Semi-annual interest payments are due on June 1 and December 1 and principal payments are due annually on December 1. The 2021A bonds mature on December 1, 2033 and the 2021B bonds mature on December 1, 2026.

The advance refunding of the 2013 bonds reduced the present value of the future debt service payments. The City’s net present value benefit of the advance refunding is \$1,427,793. The savings were available due to improved bond market conditions (i.e., lower interest rates). The reacquisition price exceeded the net carrying amount of the old debt by \$309,154. This amount has been deferred and is being amortized over the remaining life of the refunded debt. At December 31, 2023, the balance of the deferred charges is \$237,811.

The annual debt service requirements on the outstanding bonds are as follows:

Year Ended December 31,	Principal	Interest	Total
2024	\$ 97,000	\$ 225,260	\$ 322,260
2025	545,000	223,254	768,254
2026	900,000	211,980	1,111,980
2027	1,041,000	193,404	1,234,404
2028	1,133,000	168,944	1,301,944
2029-2033	6,056,000	432,025	6,488,025
Total	<u>\$ 9,772,000</u>	<u>\$ 1,454,867</u>	<u>\$11,226,867</u>

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: **LONG-TERM DEBT** (Continued)

Notes from Direct Borrowings

2003 Colorado Water Resources and Power Development Authority (CWRPDA) Loan

In November 2003, the City entered into a loan agreement with CWRPDA in the amount of \$12,999,093. Proceeds of the loan were used to finance costs of water facilities. The loan carries an interest rate of 3.51%. Principal and interest payments in the amount of \$899,932 are due semi-annually on June 1 and December 1 through 2025. On December 31, 2023, the outstanding balance on the loan is \$1,282,686.

2005 Colorado Water Resources and Power Development Authority (CWRPDA) Drinking Water Revolving Fund Direct Loan

In December 2004, the City entered into an agreement with CWRPDA to obtain a Drinking Water Revolving Fund Direct Loan in the amount of \$800,000. Proceeds of the loan were used to finance improvements to the City's south water treatment plant, acquiring and constructing finished water storage facilities and finished water pipelines, and raw water conveyance and consolidation for the south water treatment plant. The loan carries an interest rate of 3.5%. Principal and interest payments in the amount of \$53,939 are due semi-annually on June 1 and December 1 through 2025. On December 31, 2022 the outstanding balance on the loan is \$103,318.

2009 Colorado Water Resources and Power Development Authority (CWRPDA) Drinking Water Revolving Fund ARRA Direct Loan

In October 2009, the City entered into an agreement with CWRPDA to obtain a Drinking Water Revolving Fund ARRA Direct Loan in the amount of \$2,000,000. Proceeds of the loan were used to provide funding for drilling, testing, and construction of two additional wells. The loan carries no interest. Principal payments in the amount of \$50,000 are due semi-annually on June 1 and December 1 through 2029. On December 31, 2022 the outstanding balance on the loan is \$600,000.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 5: LONG-TERM DEBT (Continued)

Notes from Direct Borrowings (Continued)

The annual debt service requirements on the outstanding notes are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 995,510	\$ 1,035,083	\$ 2,030,593
2025	590,494	591,760	1,182,254
2026	100,000	-	100,000
2027	100,000	-	100,000
2028	100,000	-	100,000
2029	100,000	-	100,000
Total	<u>\$ 1,986,004</u>	<u>\$ 1,626,843</u>	<u>\$ 3,612,847</u>

NOTE 6: INTERFUND TRANSFERS

During the year ended December 31, 2023 the Water Fund and the Conservation Trust Fund transferred \$595,830 and \$45,000, respectively, to the General Fund to cover administrative expenses. The General Fund transferred \$7,762 to the Capital Projects Fund, \$241,356 to the Water Fund, and \$7,762 to the Perpetual Care Reserve Fund to cover capital and administrative expenses.

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

SWDBP 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.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: **STATEWIDE DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the SWDBP

Plan description. The SWDBP covers substantially all full-time firefighter and police officer employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SWDBP may include fire department clerical and other personnel whose services are auxiliary to fire protection. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth in the FPPA Rules and Regulations, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report that can be obtained at www.fppaco.org.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the members 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' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under the Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan.

Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

A member is eligible for 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.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: **STATEWIDE DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the SWDBP (Continued)

Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

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

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at a 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.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

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

On December 31, 2023, the City reported a net pension liability of \$48,653 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2022 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022.

The City’s proportion of the net pension liability was based on City contributions to the SWDBP for the calendar year 2022 relative to the total contributions of participating employers to the SWDBP.

On December 31, 2022, the City’s proportion was 0.0548 percent, which is a decrease of 0.02193 from its proportion measured as of December 31, 2021. For the year ended December 31, 2023, the City recognized pension expense of \$119,681. On December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$84,808	\$5,016
Changes of assumptions or other inputs	\$50,449	N/A
Net difference between projected and actual earnings on pension plan investments	\$115,910	N/A
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$210,145	\$113,320
Contributions subsequent to the measurement date	\$44,013	N/A
Total	\$505,325	\$118,336

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$44,013 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ending December 31, 2024. 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	63,942
2025	79,113
2026	102,501
2027	31,170
2028	23,707
Thereafter	42,543

Actuarial assumptions. The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs:

<u>Total Pension Liability</u>	
Actuarial Valuation Date	January 1, 2023
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.0%
* Includes Inflation at	2.5%

CITY OF FLORENCE
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2023

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Determined Contributions

Actuarial Valuation Date	January 1, 2022
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.0%
* Includes Inflation at	2.5%

Actuarial Determined Contributions

Actuarial Valuation Date	January 1, 2022
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 years
Long-term Investment Rate of Return *	7.0%
Projected Salary Increases	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.0%
* Includes Inflation at	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.

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 actuarial assumption changes were effective 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 SWDBP's 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 return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the

CITY OF FLORENCE
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2023

NOTE 7: STATEWIDE DEFINED BENEFIT PENSION PLAN (Continued)

long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2022 are summarized in the following table.

in the Fund target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.00%	8.93%
Equity Long/Short	6.00%	4.47%
Private Markets	34.00%	10.31%
Fixed Income – Rates	10.00%	5.45%
Fixed Income – Credit	5.00%	6.90%
Absolute Return	9.00%	6.49%
Cash	1.00%	3.92%
Total	100.00%	

Discount rate. Projected benefits 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).

The expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 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); and the resulting single discount rate is 7.00 percent.

Sensitivity of the City’s proportionate share of the net pension asset (liability) to changes in the discount rate. The following presents the proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.00 percent, as well as what the proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 7: **STATEWIDE DEFINED BENEFIT PENSION PLAN** (Continued)

	1% Decrease (6.00%)	Single Discount Rate Assumption (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability/(asset)	\$335,410	\$48,653	(\$188,874)

Pension plan fiduciary net position. Detailed information about the SWDBP’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at www.fppaco.org.

NOTE 8: **OTHER RETIREMENT COMMITMENTS**

Statewide Death and Disability Plan

Plan Description – The City participates in the Statewide Death and Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State statutes and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by contacting FPPA at www.fppaco.org.

Funding Policy - The contribution requirements are established by State statutes. The City Council determines the contribution split between employees and the City. No contributions are required for employees hired prior to January 1, 1997. For employees hired on or after January 1, 1997, the employees contributed 2.8% of base salaries during the year ended December 31, 2022. Contributions to the plan for the years ended December 31, 2023, 2022, and 2021 were \$15,189, \$15,165, and \$17,945, respectively, equal to the required contributions for the year.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 8: **OTHER RETIREMENT COMMITMENTS** (Continued)

Deferred 457 Compensation Plan

The City's employees participate in a deferred compensation plan created in accordance with Internal Revenue Code 457. The deferred compensation plan is optional for employees. The City matches the contribution of participating employees up to 3 percent after the employee has been employed by the City for one year. During the year ended December 31, 2023, 2022 and 2021, the City contributed \$36,822, \$32,100, and \$35,468, respectively, to the plan. The plan investments are managed by One America.

NOTE 9:

COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2023, significant amounts of grant expenditures have not been audited but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the City.

Tabor Amendment

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Tabor Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Tabor Amendment is complex and subject to judicial interpretations. The City believes it has complied with the Amendment.

In November 1994, voters within the City approved the collection, retention, and expenditure of state grants, all sales and use taxes and all other revenue generated by the City in 1995 and subsequent years without limitation, notwithstanding the provisions of the Amendment.

The City has established a reserve, representing 3% of qualifying expenditures, as required by the amendment. On December 31, 2023, the emergency reserve of \$112,000 was reported as a restriction of net position and fund balance in the Governmental Activities and General Fund, respectively.

CITY OF FLORENCE
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 10: CHANGE IN ACCOUNTING PRINCIPLES- SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

For the year ended December 31, 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). GASB 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). For the year ended December 31, 2023, the City has evaluated its existing agreements and has determined that no changes to the City's financial statements are required.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FLORENCE, COLORADO

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Property Taxes	\$ 720,242	\$ 720,242	\$ 725,112	\$ 4,870	\$ 735,522
Specific Ownership Taxes	98,000	98,000	86,760	(11,240)	95,321
Sales and Use Tax	1,413,000	1,413,000	1,512,892	99,892	1,427,127
Franchise Fees	199,600	199,600	234,937	35,337	225,249
Intergovernmental Revenue	169,073	169,073	660,374	491,301	245,379
Licenses and Permits	108,050	108,050	104,334	(3,716)	114,913
Charges for Services	104,000	104,000	17,968	(86,032)	219,351
Fines and Forfeitures	92,000	92,000	34,766	(57,234)	55,817
Sale of Assets	5,000	5,000	3,350	(1,650)	303,808
Earnings on Investments	8,400	8,400	291,952	283,552	80,241
Miscellaneous	211,408	211,408	164,540	(46,868)	172,858
TOTAL REVENUES	3,128,773	3,128,773	3,836,985	708,212	3,675,586
EXPENDITURES					
Current					
General Government	1,072,206	1,072,206	1,075,151	(2,945)	948,630
Public Safety	1,433,931	1,433,931	1,258,492	175,439	1,301,413
Public Works	1,253,135	1,253,135	1,183,433	69,702	1,339,560
Planning	257,154	257,154	135,034	122,120	234,412
Parks and Recreation	223,740	223,740	189,113	34,627	266,555
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
TOTAL EXPENDITURES	4,240,166	4,240,166	3,841,223	398,943	4,090,570
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,111,393)	(1,111,393)	(4,238)	1,107,155	(414,984)
OTHER FINANCING SOURCES (USES)					
Transfers In	1,134,204	1,134,204	640,830	(493,374)	658,545
Transfers Out	-	-	(256,880)	(256,880)	(10,291)
TOTAL OTHER FINANCING SOURCES (USES)	1,134,204	1,134,204	383,950	(750,254)	648,254
CHANGE IN FUND BALANCE	22,811	22,811	379,712	850,275	233,270
FUND BALANCES, Beginning	-	-	2,517,501	2,517,501	2,284,231
FUND BALANCES, Ending	\$ 22,811	\$ 22,811	\$ 2,897,213	\$ 3,367,776	\$ 2,517,501

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FPPA STATEWIDE DEFINED BENEFIT PENSION PLAN

Years Ended December 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the Net Pension Liability (Asset)	0.05480%	0.07674%	0.06721%	0.08206%	0.09000%	0.0990%	9.5000%	0.0990%	0.0910%	0.0870%
Proportionate Share of the Net Pension Liability (Asset)	\$ 48,653	\$ (415,889)	\$ (145,907)	\$ (46,408)	\$ 113,889	\$ (142,635)	\$ 34,380	\$ (1,742)	\$ (77,479)	\$ (102,775)
Covered payroll	\$ 475,341	\$ 447,343	\$ 514,269	\$ 580,095	\$ 579,258	\$ 555,473	\$ 439,514	\$ 469,653	\$ 388,051	\$ 355,764
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	10.24%	-92.97%	-28.37%	-8.00%	19.66%	-25.68%	7.82%	-0.37%	-19.97%	-28.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.60%	116.20%	106.70%	101.90%	95.20%	106.30%	98.20%	100.10%	105.80%	106.80%

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO

SCHEDULE OF THE CITY'S CONTRIBUTIONS
FPPA STATEWIDE DEFINED BENEFIT PENSION PLAN

Years Ended December 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contributions	\$ 44,013	\$ 44,194	\$ 37,962	\$ 43,184	\$ 48,382	\$ 48,274	\$ 46,393	\$ 36,899	\$ 37,852	\$ 32,758
Contributions in Relation to the Contractually Required Contributions	44,013	44,194	37,962	43,184	48,382	48,274	46,393	36,899	37,852	32,758
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 446,746	\$ 475,341	\$ 447,343	\$ 514,269	\$ 580,095	\$ 579,258	\$ 555,473	\$ 439,514	\$ 469,653	\$ 388,051
Contributions as a Percentage of Covered Payroll	9.85%	9.30%	8.49%	8.40%	8.34%	8.33%	8.35%	8.40%	8.06%	8.44%

See the accompanying independent auditor's report

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF FLORENCE, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2023

	SPECIAL REVENUE FUNDS				PERMANENT FUND		TOTALS
	CONSERVATION TRUST FUND	POOL, PARK AND RECREATION FUND	CAPITAL PROJECTS FUND	STREET IMPROVEMENT FUND	CARE RESERVE FUND	PERPETUAL FUND	
ASSETS							
Cash and Investments	\$ 127,431	\$ 475,259	\$ 238,964	\$ 1,043,698	\$ 304,018	\$ 304,018	\$ 2,189,370
Accounts Receivable	-	-	-	52,626	-	-	52,626
TOTAL ASSETS	\$ 127,431	\$ 475,259	\$ 238,964	\$ 1,096,324	\$ 304,018	\$ 304,018	\$ 2,241,996
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 200
TOTAL LIABILITIES	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 200
FUND EQUITY							
Fund Balance	127,431	475,059	-	1,096,324	304,018	304,018	2,002,832
Restricted	-	-	238,964	-	-	-	238,964
Committed	-	-	-	-	-	-	-
TOTAL FUND EQUITY	127,431	475,059	238,964	1,096,324	304,018	304,018	2,241,796
TOTAL LIABILITIES AND FUND BALANCES	\$ 127,431	\$ 475,259	\$ 238,964	\$ 1,096,324	\$ 304,018	\$ 304,018	\$ 2,241,996

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	SPECIAL REVENUE FUNDS				PERMANENT FUND		TOTALS
	CONSERVATION TRUST FUND	POOL, PARK AND RECREATION FUND	CAPITAL PROJECTS FUND	STREET IMPROVEMENT FUND	CARE RESERVE FUND	PERPETUAL FUND	
REVENUES							
Sales and Use Taxes	\$ -	\$ -	\$ -	\$ 378,162	\$ -	\$ -	\$ 378,162
Intergovernmental Revenue	55,133	-	-	-	-	-	55,133
Charges for Services	-	57,853	-	-	-	-	57,853
Interest Income	6,106	29,694	5,997	32,096	15,146	-	89,039
Miscellaneous	-	11,197	4,948	15,107	-	-	31,252
TOTAL REVENUES	61,239	98,744	10,945	425,365	15,146	-	611,439
EXPENDITURES							
Current							
Parks and Recreation	-	112,801	-	-	-	-	112,801
Capital Outlay	-	-	-	193,010	-	-	193,010
TOTAL EXPENDITURES	-	112,801	-	193,010	-	-	305,811
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	61,239	(14,057)	10,945	232,355	15,146	-	305,628
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	7,762	-	7,762	-	15,524
Transfers Out	(45,000)	-	-	-	-	-	(45,000)
TOTAL OTHER FINANCING SOURCES (USES)	(45,000)	-	7,762	-	7,762	-	(29,476)
NET CHANGE IN FUND BALANCES	16,239	(14,057)	18,707	232,355	22,908	-	276,152
FUND BALANCES, Beginning	111,192	489,116	220,257	863,969	281,110	-	1,965,644
FUND BALANCES, Ending	\$ 127,431	\$ 475,059	\$ 238,964	\$ 1,096,324	\$ 304,018	\$ -	\$ 2,241,796

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO

BUDGETARY COMPARISON SCHEDULE
 CONSERVATION TRUST FUND
 Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Intergovernmental Revenue	\$ 45,000	\$ 45,000	\$ 55,133	\$ 10,133	\$ 49,010
Interest Income	500	500	6,106	5,606	1,289
TOTAL REVENUES	45,500	45,500	61,239	15,739	50,299
EXPENDITURES					
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	45,500	45,500	61,239	15,739	50,299
OTHER FINANCING SOURCES					
Transfers Out	(45,000)	(45,000)	(45,000)	-	(45,000)
CHANGE IN FUND BALANCE	500	500	16,239	15,739	5,299
FUND BALANCES, Beginning	-	-	111,192	111,192	105,893
FUND BALANCES, Ending	\$ 500	\$ 500	\$ 127,431	\$ 126,931	\$ 111,192

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO

BUDGETARY COMPARISON SCHEDULE
 POOL, PARK, AND RECREATION FUND
 Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Charges for Services	\$ 36,850	\$ 36,850	\$ 57,853	\$ 21,003	\$ 41,157
Interest Income	2,500	2,500	29,694	27,194	9,080
Miscellaneous	-	-	11,197	11,197	-
TOTAL REVENUES	39,350	39,350	98,744	59,394	50,237
EXPENDITURES					
Parks and Recreation	83,217	113,217	112,801	416	101,697
TOTAL EXPENDITURES	83,217	113,217	112,801	416	101,697
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(43,867)	(73,867)	(14,057)	59,810	(51,460)
OTHER FINANCING SOURCES					
Transfers In	500	500	-	(500)	1,131
Transfers Out	(43,500)	(43,500)	-	43,500	-
TOTAL OTHER FINANCING SOURCES (USES)	(43,000)	(43,000)	-	43,000	1,131
CHANGE IN FUND BALANCE	(86,867)	(116,867)	(14,057)	102,810	(50,329)
FUND BALANCES, Beginning	-	-	489,116	489,116	539,445
FUND BALANCES, Ending	\$ (86,867)	\$ (116,867)	\$ 475,059	\$ 591,926	\$ 489,116

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO

BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	400	400	5,997	5,597	1,611
Miscellaneous	-	-	4,948	4,948	-
TOTAL REVENUES	400	400	10,945	10,545	1,611
EXPENDITURES					
Capital Outlay	-	-	-	-	155,408
TOTAL EXPENDITURES	-	-	-	-	155,408
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	400	400	10,945	10,545	(153,797)
OTHER FINANCING SOURCES					
Transfers In	-	-	7,762	7,762	4,580
CHANGE IN FUND BALANCE	400	400	18,707	18,307	(149,217)
FUND BALANCES, Beginning	-	-	220,257	220,257	369,474
FUND BALANCES, Ending	\$ 400	\$ 400	\$ 238,964	\$ 238,564	\$ 220,257

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO

BUDGETARY COMPARISON SCHEDULE
 STREET IMPROVEMENT FUND
 Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Sales and Use Tax	\$ 467,500	\$ 467,500	\$ 378,162	\$ (89,338)	\$ 357,590
Interest Income	2,000	2,000	32,096	30,096	8,274
Miscellaneous	-	-	15,107	15,107	-
TOTAL REVENUES	469,500	469,500	425,365	(44,135)	365,864
EXPENDITURES					
Capital Outlay	460,500	460,500	193,010	267,490	137,490
TOTAL EXPENDITURES	460,500	460,500	193,010	267,490	137,490
CHANGE IN FUND BALANCE	9,000	9,000	232,355	223,355	228,374
FUND BALANCES, Beginning	-	-	863,969	863,969	635,595
FUND BALANCES, Ending	\$ 9,000	\$ 9,000	\$ 1,096,324	\$ 1,087,324	\$ 863,969

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO

BUDGETARY COMPARISON SCHEDULE
 PERPETUAL CARE RESERVE FUND
 Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Interest Income	\$ 1,000	\$ 1,000	\$ 15,146	\$ 14,146	\$ 4,475
TOTAL REVENUES	1,000	1,000	15,146	14,146	4,475
EXPENDITURES					
Cemetery Care	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,000	1,000	15,146	14,146	4,475
OTHER FINANCING SOURCES (USES)					
Transfers In	6,000	6,000	7,762	1,762	4,580
CHANGE IN FUND BALANCE	7,000	7,000	22,908	15,908	9,055
FUND BALANCES, Beginning	-	-	281,110	281,110	272,055
FUND BALANCES, Ending	\$ 7,000	\$ 7,000	\$ 304,018	\$ 297,018	\$ 281,110

See the accompanying independent auditor's report

CITY OF FLORENCE, COLORADO

BUDGETARY COMPARISON SCHEDULE

WATER FUND

Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2022 ACTUAL
REVENUES					
Charges for Services	\$ 2,640,000	\$ 2,640,000	\$ 2,679,856	\$ 39,856	\$ 2,791,737
Tap Fees and Contributions	177,192	177,192	216,465	39,273	157,171
Debt Retirement	1,353,645	1,353,645	1,205,743	(147,902)	1,261,180
Bulk Water Sales	175,000	175,000	124,800	(50,200)	145,778
Interest Revenue	50,200	50,200	359,500	309,300	119,752
Other Revenues	75,550	75,550	127,761	52,211	78,060
Capital Contribution	-	-	160,449	160,449	-
Transfers In	1,236,062	1,236,062	241,356	(994,706)	-
TOTAL REVENUES	5,707,649	5,707,649	5,115,930	(591,719)	4,553,678
EXPENDITURES					
Current					
Administration	578,139	578,139	140,193	437,946	121,467
Personnel Services	810,143	810,143	731,953	78,190	599,358
Water System	1,532,081	1,532,081	850,684	681,397	828,375
Water Distribution	306,735	306,735	254,111	52,624	83,608
Debt Service	1,299,705	1,299,705	1,377,425	(77,720)	1,370,837
Transfers Out	-	-	595,830	(595,830)	613,545
Capital Outlay	1,138,000	1,138,000	1,347,174	(209,174)	30,657
TOTAL EXPENDITURES	5,664,803	5,664,803	5,297,370	367,433	3,647,847
CHANGE IN NET POSITION, Budgetary Basis	\$ 42,846	\$ 42,846	(181,440)	\$ (224,286)	905,831
Adjustments to GAAP Basis					
Capital Outlay			1,347,174		30,657
Loan Principal Payments			1,015,089		979,522
Depreciation			(1,263,027)		(1,192,725)
CHANGE IN NET POSITION, GAAP Basis			917,796		723,285
NET POSITION, Beginning			16,801,321		16,078,036
NET POSITION, Ending			\$ 17,719,117		\$ 16,801,321

See the accompanying independent auditor's report

COMPLIANCE

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

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/23
This Information From The Records Of: City of Florence	Prepared By: Lori Cobler

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 441,568.13
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	\$ 870,798.73	b. Snow and ice removal	\$ 80,285.11
3. Other local imposts (from page 2)	\$ 110,136.21	c. Other	\$ 37,133.47
4. Miscellaneous local receipts (from page 2)	\$ -	d. Total (a. through c.)	\$ 117,418.58
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 571,995.70
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 1,130,982.41
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 980,934.94	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 150,047.47	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 1,130,982.41	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 1,130,982.41

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 1,130,982.41	\$ 1,130,982.41		\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
 12/23

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 110,136.21	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 110,136.21	h. Other	
c. Total (a. + b.)	\$ 110,136.21	i. Total (a. through h.)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 135,561.45	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	\$ 14,486.02	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 14,486.02	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 150,047.47	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements			\$ -
(3). System Preservation			\$ -
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ -	\$ -
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ -	\$ -

(Carry forward to page 1)

Notes and Comments: