

# City of Fort Morgan, Colorado

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Financial Statements and Independent Auditors' Report

Prepared by the Finance Department

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# City of Fort Morgan


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## Independent Auditor's Report



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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and the City Council  
City of Fort Morgan

### 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 Fort Morgan, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City of Fort Morgan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fort Morgan, as of December 31, 2023, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

### Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fort Morgan's basic financial statements. The combining and individual nonmajor fund financial statements, the budgetary comparison 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 nonmajor fund financial statements, the budgetary comparison schedules, and the Local Highway Finance Report listed in the table of contents are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Haynie & Company*

Littleton, Colorado

June 13, 2024

# City of Fort Morgan

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## Management's Discussion and Analysis

City of Fort Morgan  
Management's Discussion and Analysis  
December 31, 2023

As management of the City of Fort Morgan, Colorado (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2023.

**FINANCIAL HIGHLIGHTS**

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$192.3 million (net position). Of this amount, \$65.2 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net position increased by \$3.7 million in the current year. The City recognized an approximate \$5.4 million decrease in its main operating fund (General Fund) and also had an increase of \$0.5 million in its enterprise funds net position.

As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$26.5 million, a decrease of \$6.3 million or 19.2%. Of this amount, \$23.6 million is available for spending through the adoption of the 2024 budget.

The General Fund's unassigned fund balance at December 31, 2023, was \$23.6 million, or 150% of total General Fund expenditures.

For 2023, the City's total debt decreased by \$1.8 million to \$16.2 million.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 18 and 19) provide information about the activities of the City as a whole and present a long-term view of the City's finances. The fund basic financial statements start on page 20. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The statements for fiduciary funds provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

**Reporting the City as a Whole**

Our analysis of the City as a whole begins on page 18. One of the most important questions asked about the City's finances is, "is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements 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 them. You can think of the City's net position, the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources as 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. You will need to consider other non-financial

City of Fort Morgan  
Management's Discussion and Analysis  
December 31, 2023

factors, however, such as changes in the City's property tax base and the condition of the City's roads and infrastructure, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- **Governmental Activities** – Most of the City's basic services are reported here, including police, fire, public works, recreation, golf, cemetery, library, museum, parks and general administration. Property taxes, sales taxes, franchise fees, and grants finance most of these activities.
- **Business-type activities** – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's electric, gas, water, wastewater, and sanitation operations are reported here.

### **Reporting the City's Most Significant Funds**

Our analysis of the City's major funds begins on page 20. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two main kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net position and Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements. The governmental funds of the City are the General Fund, Police Forfeiture Fund, Capital Improvement Fund, and Conservation Trust Fund. The Police Forfeiture Fund was closed as of December 31, 2023.

Proprietary funds – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds which are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise funds are reported as business-type activities in the government-wide statements. These enterprise fund statements provide more detail and additional information, such as cash flows, for proprietary funds. The enterprise funds of the City are the Electric Fund, Gas Fund, Water Fund, Wastewater Fund, and Sanitation Fund. We use an internal service fund (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities, such as the City's Self Insurance Fund.

### **The City as Trustee**

The City is the trustee, or fiduciary, for other assets that because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and changes in Fiduciary Net Position on pages 26 and 27. We exclude these activities from the City's other financial statements because the City cannot

City of Fort Morgan  
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December 31, 2023

use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for these intended purposes. As of December 31, 2023, the Cemetery Perpetual Care Fund is the City's only remaining trust fund. The Riverview Commons GID Fund was closed as of December 31, 2023.

**THE CITY AS A WHOLE**

**Net Position**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$192.3 million at December 31, 2023. By far, the largest portion of the City's net position (64.7%) reflects its investments in capital assets (e.g., land, buildings, machinery, equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (1.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$65.2 million) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Summary of Net Position  
December 31, 2023 and 2022

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022 (restated)</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022 (restated)</u>
<b>Assets:</b>						
Current and other assets	\$ 40,394,903	\$ 43,936,639	\$ 45,580,267	\$ 51,629,410	\$ 85,975,170	\$ 95,566,049
Capital assets	75,199,442	67,956,678	68,725,201	65,193,335	143,924,643	133,150,013
Total Assets	<u>115,594,345</u>	<u>111,893,317</u>	<u>114,305,468</u>	<u>116,822,745</u>	<u>229,899,813</u>	<u>228,716,062</u>
Deferred outflows of resources	<u>3,642,570</u>	<u>1,253,491</u>	<u>3,444,909</u>	<u>918,767</u>	<u>7,087,479</u>	<u>2,172,258</u>
<b>Liabilities:</b>						
Long-term liabilities outstanding	18,010,015	12,652,442	11,652,814	8,405,153	29,662,829	21,057,595
Other-liabilities	<u>3,291,429</u>	<u>1,743,816</u>	<u>2,440,292</u>	<u>2,571,713</u>	<u>5,731,721</u>	<u>4,315,529</u>
Total liabilities	<u>21,301,444</u>	<u>14,396,258</u>	<u>14,093,106</u>	<u>10,976,866</u>	<u>35,394,550</u>	<u>25,373,124</u>
Deferred inflows of resources	<u>2,832,888</u>	<u>6,917,266</u>	<u>6,451,717</u>	<u>10,035,867</u>	<u>9,284,605</u>	<u>16,953,133</u>
<b>Net position:</b>						
Net investment in capital asse	65,774,201	59,436,678	58,675,684	57,399,335	124,449,885	116,836,013
Restricted	2,665,711	3,378,378	-	-	2,665,711	3,378,378
Unrestricted	<u>26,662,671</u>	<u>29,018,228</u>	<u>38,529,870</u>	<u>39,329,444</u>	<u>65,192,541</u>	<u>68,347,672</u>
Total net position	<u>\$ 95,102,583</u>	<u>\$ 91,833,284</u>	<u>\$ 97,205,554</u>	<u>\$ 96,728,779</u>	<u>\$ 192,308,137</u>	<u>\$ 188,562,063</u>

Net position of the City's governmental activities increased 3.6% (\$95.1 million compared to \$91.8 million). Unrestricted net position decreased \$2.4 million.

City of Fort Morgan  
Management's Discussion and Analysis  
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The net position of the City's business-type activities increased \$0.5 million. The City generally can only use this net position to finance the continuing operations of the electric, gas, water, wastewater, and sanitation functions.

Summary of Changes in Net Position  
December 31, 2023 and 2022

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022 (restated)</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022 (restated)</u>
Revenues						
Program Revenues:						
Charges for services	\$ 1,219,482	\$ 1,098,673	\$42,202,618	\$43,553,137	\$ 43,422,100	\$ 44,651,810
Operating grants and contributions	2,404,308	2,391,457	-	-	2,404,308	2,391,457
Capital grants and contributions	678,364	793,511	492,655	511,728	1,171,019	1,305,239
General Revenues:						
Property taxes	2,100,994	2,160,913	-	-	2,100,994	2,160,913
Sales & use tax	14,342,966	13,783,338	-	-	14,342,966	13,783,338
Intergovernmental-in lieu of tax	4,025,633	4,130,883	-	-	4,025,633	4,130,883
Franchise taxes	79,893	85,990	-	-	79,893	85,990
Specific ownership taxes	187,155	179,559	-	-	187,155	179,559
Earnings on investments	950,305	(524,644)	1,340,692	(907,860)	2,290,997	(1,432,504)
Miscellaneous	471,164	588,123	1,171,103	984,140	1,642,267	1,572,263
Gain on sale of capital assets	18,326	120	-	9,252	18,326	9,372
Total Revenues	26,478,590	24,687,923	45,207,068	44,150,397	71,685,658	68,838,320
Expenses						
General government	2,053,005	2,046,433	-	-	2,053,005	2,046,433
Public safety	7,421,216	5,993,470	-	-	7,421,216	5,993,470
Community development/public w	5,160,579	5,169,638	-	-	5,160,579	5,169,638
Parks and recreation	8,347,092	5,790,913	-	-	8,347,092	5,790,913
Electric	-	-	23,717,374	23,677,275	23,717,374	23,677,275
Water	-	-	10,190,490	9,027,488	10,190,490	9,027,488
Gas	-	-	5,893,834	5,804,850	5,893,834	5,804,850
Waste-water	-	-	3,326,463	2,577,837	3,326,463	2,577,837
Sanitation	-	-	1,602,132	1,342,370	1,602,132	1,342,370
Interest on long-term debt	227,399	150,270	-	-	227,399	150,270
Total Expenses	23,209,291	19,150,724	44,730,293	42,429,820	67,939,584	61,580,544
Change in net position	3,269,299	5,537,199	476,775	1,720,577	3,746,074	7,257,776
Net position beginning of year	91,833,284	86,296,085	96,728,779	95,008,202	188,562,063	181,304,287
Net position end of year	<u>\$95,102,583</u>	<u>\$ 91,833,284</u>	<u>\$97,205,554</u>	<u>\$96,728,779</u>	<u>\$ 192,308,137</u>	<u>\$ 188,562,063</u>

Governmental activities increased the City's net position by \$3.3 million accounting for 87.3% of the total City's increase in net position. Key elements of this increase are presented in the summary of changes in net position shown above. The cost of all governmental activities this year was \$23.2 million, \$4.1 million higher than last year. However, as shown in the Statement of Activities on page 19, the amount that our taxpayers ultimately financed for these activities through City taxes was \$16.7 million.

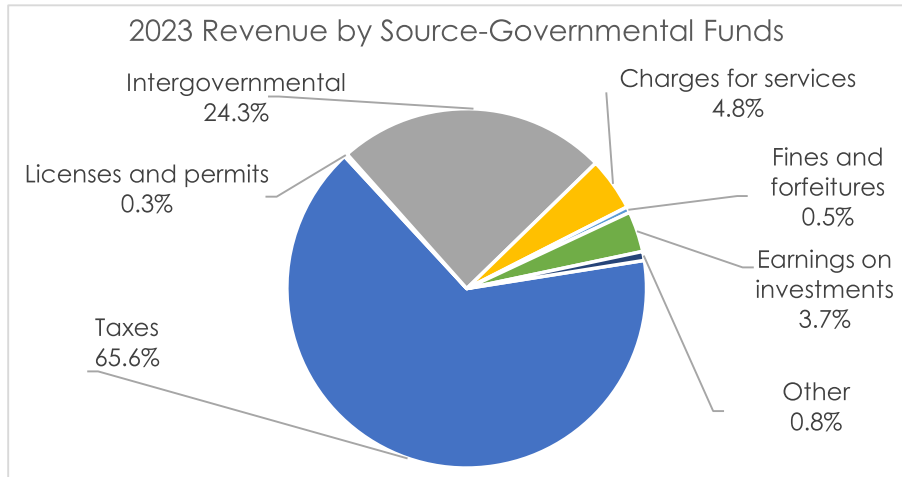
Revenues of the business-type activities increased by \$1.1 million or 2.4% and expenses increased by \$2.3 million or 5.4%. Expenses increased primarily due to an overall increase in operating costs.

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

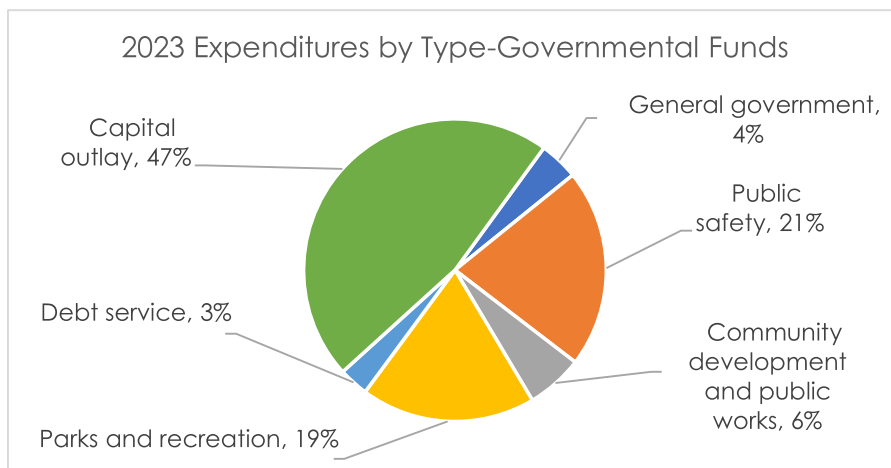
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. One of the differences between the governmental activities

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 Management's Discussion and Analysis  
 December 31, 2023

as reported in the government-wide Statement of Activities on page 19 and the individual governmental fund financial statements reported on pages 20 to 23 is the reporting of capital asset acquisitions. For the government-wide financial statements, any new capital assets are capitalized and only depreciation expense for those assets is reported in the Statement of Activities. In the individual governmental fund financial statements, the expenditure for capital asset acquisitions is reported in the Statement of Revenues, Expenditures and Changes in Net Position. Therefore, governmental fund capital asset acquisitions of \$11.9 million included in capital outlay on page 22 is not reflected as an expense on page 19.



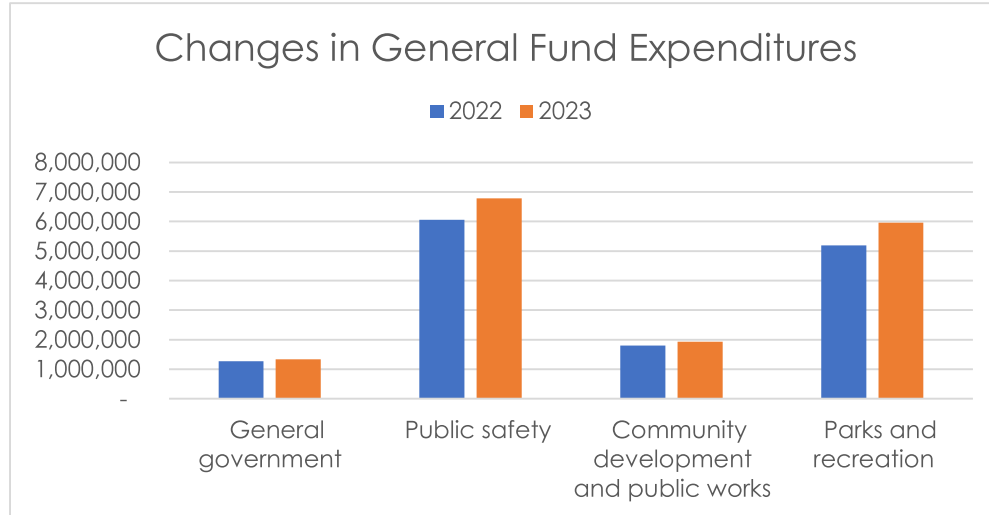
As the City completed the year, its governmental funds (as presented in the Balance Sheet on page 20) reported a combined fund balance of \$26.5 million. Included in this year's total change in fund balance is a decrease of \$5.4 million in the General Fund, primarily due to the transfer to the Capital Improvement Fund to cover the purchase of a new Public Works building. Governmental fund revenue increased by \$1.8 million from 2022, primarily due to a sustained increase in short-term interest rates resulting in a \$1.5 million increase in investment earnings in 2023.



Governmental expenditures increased \$5.8 million in 2023. General Fund expenditures increased \$1.4 million over 2022, in part due to an implementation of market survey salary increases.

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Expenditures for capital outlay in the Capital Improvement Fund increased \$3.9 million from 2022. Capital outlay varies by project and can change significantly from one year to the next.



**BUDGETARY HIGHLIGHTS**

The General Fund's Budget to Actual report is presented as required supplementary information on pages 67 and 68. In the General Fund, the actual charges to appropriations (expenditures) were \$0.4 million below the budgeted amounts. The Capital Improvement Fund expenditures were equal to budget.

Resources available for appropriation (revenues) in the General Fund for 2023 were \$3.0 million above the final budgeted amount. Sales taxes were the largest portion of this positive variance at \$1.0 million above the budgeted amount.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2023, the City had \$140.7 million invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, airport facilities, and electric, gas, water, and sewer plants and systems (see below). This amount represents an increase (including additions, deductions, and depreciation) of \$7.5 million, or 5.6% from 2022.

City of Fort Morgan  
Management's Discussion and Analysis  
December 31, 2023

Capital Assets  
December 31, 2023 and 2022

	2023	2022 (restated)
Governmental Activities:		
Land	\$ 4,865,833	\$ 4,865,833
Infrastructure	54,843,019	50,278,253
Golf Course	4,238,953	4,163,139
Land Improvements	15,469,495	15,374,017
Buildings and Improvements	30,644,561	25,006,761
Vehicle and or Mowing Equipment	7,588,733	7,481,985
General Equipment	5,662,233	5,400,217
Construction in Progress	4,252,877	3,274,270
Total Governmental Capital Assets	127,565,704	115,844,475
Accumulated Depreciation	(52,366,262)	(47,887,797)
Capital Assets, Net of Depreciation	75,199,442	67,956,678
 Business-type Activities:		
Land and water rights	12,557,469	12,532,469
Electric System	31,572,077	30,214,802
Water System	58,535,051	57,134,600
Gas System	4,922,994	4,922,994
Sewer System	23,981,124	22,642,904
Sanitation Systeem	2,075,636	1,885,065
Construction in Progress	-	1,101,154
Total Business-Type Capital Assets	133,644,351	130,433,988
Accumulated Depreciation	(68,184,667)	(65,240,653)
Business-Type Activities Capital Assets, Net of Depreciated	65,459,684	65,193,335

Additional information on the City's capital assets can be found in Note 5 on pages 41 and 42 of this report.

**Debt Administration**

At year-end, the City had \$16.2 million in bonds, notes, leases, and other obligations outstanding versus \$18.0 million in 2022. This is a decrease of \$1.8 million (10%) as shown in the table below with more information in Note 7 on pages 43 and 44.

Summary of Debt  
December 31, 2023 and 2022

	2023	2022 (restated)
Revenue bonds	\$ 6,784,000	\$ 7,794,000
Fieldhouse and Fire Trucks	9,425,241	10,211,277
Total	\$ 16,209,241	\$ 18,005,277

The State limits the amount of general obligation debt that cities can issue to 3 percent of the actual value of the taxable property within the City's corporate limits. The City currently has no outstanding general obligation debt, so the full \$39 million state-imposed limit is available subject to voter approval and authorization.

City of Fort Morgan  
Management's Discussion and Analysis  
December 31, 2023

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's elected and appointed officials considered many factors when setting the 2024 budget, tax rates, and fees. One of those factors is the economy. The city's sales and use tax revenues increased by \$427 thousand (4.1%). This increase was greater than both the Denver-Aurora-Lakewood and U.S. CPI which were 3.5% and 3.4%, respectively for 2023.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have question about this report or need additional financial information, please contact the City Treasurer's Office at City of Fort Morgan, 710 E. Railroad Ave., Fort Morgan, CO 80701.

# City of Fort Morgan

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## Basic Financial Statements

**City of Fort Morgan**  
**Statement of Net Position**  
**December 31, 2023**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and investments	\$ 33,848,965	\$ 34,775,747	\$ 68,624,712
Accounts and taxes receivable	4,376,212	5,477,965	9,854,177
Prepaid items	131,230	192,233	323,463
Inventories	67,379	2,322,400	2,389,779
Restricted cash, cash equivalents and investments	1,971,117	2,811,922	4,783,039
Lease receivable	-	3,265,517	3,265,517
Capital assets, not being depreciated	9,118,710	12,557,469	21,676,179
Capital assets, net of accumulated depreciation	<u>66,080,732</u>	<u>52,902,215</u>	<u>118,982,947</u>
<b>TOTAL ASSETS</b>	<u>115,594,345</u>	<u>114,305,468</u>	<u>229,899,813</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	3,565,586	2,269,985	5,835,571
Deferred outflows related to OPEB	76,984	61,589	138,573
Deferred utility costs	-	1,113,335	1,113,335
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>3,642,570</u>	<u>3,444,909</u>	<u>7,087,479</u>
<b>LIABILITIES</b>			
Accounts payable	2,089,839	2,148,598	4,238,437
Customer deposits	21,433	69,674	91,107
Accrued expenses	646,881	204,033	850,914
Other liabilities	489,779	-	489,779
Accrued interest payable	43,497	17,987	61,484
Long-term liabilities:			
Due within one year	832,765	1,045,000	1,877,765
Due in more than one year	9,160,953	6,104,253	15,265,206
Net pension liability	7,669,727	4,226,304	11,896,031
Net OPEB liability	<u>346,570</u>	<u>277,257</u>	<u>623,827</u>
<b>TOTAL LIABILITIES</b>	<u>21,301,444</u>	<u>14,093,106</u>	<u>35,394,550</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	270,515	114,667	385,182
Deferred inflows related to OPEB	135,041	108,033	243,074
Unearned revenue	<u>2,427,332</u>	<u>6,229,017</u>	<u>8,656,349</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>2,832,888</u>	<u>6,451,717</u>	<u>9,284,605</u>
<b>NET POSITION</b>			
Net investment in capital assets	65,205,724	58,675,684	123,881,408
Restricted	2,665,711	-	2,665,711
Unrestricted	<u>27,231,148</u>	<u>38,529,870</u>	<u>65,761,018</u>
<b>TOTAL NET POSITION</b>	<u>\$ 95,102,583</u>	<u>\$ 97,205,554</u>	<u>\$ 192,308,137</u>

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

City of Fort Morgan  
Statement of Activities  
For the Year Ended December 31, 2023

FUNCTIONS / PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Primary Government</b>							
<b>Governmental activities:</b>							
General government	\$ 2,053,005	\$ -	\$ 739,748	\$ -	\$ (1,313,257)	\$ -	\$ (1,313,257)
Public safety	7,421,216	-	666,144	-	(6,755,072)	-	(6,755,072)
Community development and public works	5,160,579	48,688	825,001	370,028	(3,916,862)	-	(3,916,862)
Parks and recreation	8,347,092	1,170,794	173,415	308,336	(6,694,547)	-	(6,694,547)
Interest on long-term debt	227,399	-	-	-	(227,399)	-	(227,399)
<b>Total Governmental Activities</b>	<b>23,209,291</b>	<b>1,219,482</b>	<b>2,404,308</b>	<b>678,364</b>	<b>(18,907,137)</b>	<b>-</b>	<b>(18,907,137)</b>
<b>Business-Type Activities:</b>							
Electric	23,717,374	21,980,045	-	-	-	(1,737,329)	(1,737,329)
Water	10,190,490	10,191,892	-	443,343	-	444,745	444,745
Gas	5,893,834	5,928,860	-	-	-	35,026	35,026
Wastewater	3,326,463	2,829,279	-	49,312	-	(447,872)	(447,872)
Sanitation	1,602,132	1,272,542	-	-	-	(329,590)	(329,590)
<b>Total Business-Type Activities</b>	<b>44,730,293</b>	<b>42,202,618</b>	<b>-</b>	<b>492,655</b>	<b>-</b>	<b>(2,035,020)</b>	<b>(2,035,020)</b>
<b>Total Primary Government</b>	<b>\$ 67,939,584</b>	<b>\$ 43,422,100</b>	<b>\$ 2,404,308</b>	<b>\$ 1,171,019</b>	<b>\$ (18,907,137)</b>	<b>\$ (2,035,020)</b>	<b>\$ (20,942,157)</b>
<b>General Revenues:</b>							
Property taxes					\$ 2,100,994	\$ -	\$ 2,100,994
Specific Ownership Taxes					187,155	-	187,155
Sales and Use Taxes					14,342,966	-	14,342,966
Franchise taxes					79,893	-	79,893
Other governmental in lieu of taxes					4,025,633	-	4,025,633
Gain on sale of capital asset					18,326	-	18,326
Other revenues					471,164	1,171,103	1,642,267
Net earnings on investments					950,305	1,340,692	2,290,997
Total general revenues					22,176,436	2,511,795	24,688,231
Change in net position					3,269,299	476,775	3,746,074
<b>NET POSITION, BEGINNING (RESTATED)</b>					91,833,284	96,728,779	188,562,063
<b>NET POSITION, ENDING</b>					95,102,583	97,205,554	192,308,137

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

**City of Fort Morgan  
Balance Sheet  
Governmental Funds  
December 31, 2023**

	<b>GENERAL FUND</b>	<b>CAPITAL IMPROVEMENT FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$24,208,944	\$ 634,720	\$ 556,912	\$ 25,400,576
Restricted cash, cash equivalents and investments	1,565,951	405,166	-	1,971,117
Receivables	3,473,055	687,173	147,548	4,307,776
Inventories	67,379	-	-	67,379
Prepaid items	108,238	-	-	108,238
<b>TOTAL ASSETS</b>	<u>\$29,423,567</u>	<u>\$ 1,727,059</u>	<u>\$ 704,460</u>	<u>\$ 31,855,086</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 344,228	\$ 1,652,112	\$ 77,620	\$ 2,073,960
Accrued expenses	-	43,497	-	43,497
Accrued payroll expenses	301,401	-	-	301,401
Customer deposits	21,433	-	-	21,433
Other liabilities	489,779	-	-	489,779
<b>TOTAL LIABILITIES</b>	<u>1,156,841</u>	<u>1,695,609</u>	<u>77,620</u>	<u>2,930,070</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue	2,427,332	-	-	2,427,332
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>2,427,332</u>	<u>-</u>	<u>-</u>	<u>2,427,332</u>
<b>FUND BALANCES</b>				
Nonspendable	175,617	-	-	175,617
Committed	-	31,450	-	31,450
Restricted	2,038,871	-	626,840	2,665,711
Unassigned	23,624,906	-	-	23,624,906
<b>TOTAL FUND BALANCES</b>	<u>25,839,394</u>	<u>31,450</u>	<u>626,840</u>	<u>26,497,684</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$29,423,567</u>	<u>\$ 1,727,059</u>	<u>\$ 704,460</u>	<u>\$ 31,855,086</u>

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

**City of Fort Morgan**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**For the Year Ended December 31, 2023**

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

Total fund balance - governmental funds	\$	26,497,684
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:		
Capital assets		127,565,704
Less: Accumulated depreciation		(52,366,262)
Net capital assets		75,199,442
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund financial statements.		
Lease and other obligations		(9,425,241)
Compensated absences payable		(568,477)
Pension and OPEB liabilities and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements.		
Net pension liability		(7,669,727)
Deferred outflows of resources relating to pensions		3,565,586
Deferred inflows of resources relating to pensions		(270,515)
Net OPEB liability		(346,570)
Deferred outflows of resources relating to OPEB		76,984
Deferred inflows of resources relating to OPEB		(135,041)
Internal service funds are collapsed into governmental activities		8,178,458
<b>Total net position - governmental activities</b>	<b>\$</b>	<b>95,102,583</b>

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

**City of Fort Morgan  
Governmental Funds  
Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
For the Year Ended December 31, 2023**

	<b>GENERAL FUND</b>	<b>CAPITAL IMPROVEMENT FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b>REVENUES:</b>				
Taxes	\$ 9,579,057	\$ 7,131,951	\$ -	\$ 16,711,008
Licenses and Permits	81,326	-	-	81,326
Intergovernmental	5,511,539	370,028	308,336	6,189,903
Charges for Services	1,219,482	-	-	1,219,482
Fines and Forfeitures	131,797	-	-	131,797
Miscellaneous	193,716	10,000	-	203,716
Earnings on Investments	809,186	123,117	-	932,303
<b>TOTAL REVENUES</b>	<b>17,526,103</b>	<b>7,635,096</b>	<b>308,336</b>	<b>25,469,535</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	1,334,071	-	-	1,334,071
Public Safety	6,783,685	-	-	6,783,685
Community development and public works	1,935,365	-	-	1,935,365
Parks and recreation and golf	5,693,765	-	-	5,693,765
Debt Service:				
Principal	-	786,036	-	786,036
Interest	-	227,399	-	227,399
Capital outlay	-	14,756,232	177,548	14,933,780
<b>TOTAL EXPENDITURES</b>	<b>15,746,886</b>	<b>15,769,667</b>	<b>177,548</b>	<b>31,694,101</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,779,217</b>	<b>(8,134,571)</b>	<b>130,788</b>	<b>(6,224,566)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	43,037	7,200,000	-	7,243,037
Sale of assets	18,326	-	-	18,326
Transfers out	(7,293,560)	-	(43,037)	(7,336,597)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(7,232,197)</b>	<b>7,200,000</b>	<b>(43,037)</b>	<b>(75,234)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(5,452,980)</b>	<b>(934,571)</b>	<b>87,751</b>	<b>(6,299,800)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>31,292,374</b>	<b>966,021</b>	<b>539,089</b>	<b>32,797,484</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$25,839,394</b>	<b>\$ 31,450</b>	<b>\$ 626,840</b>	<b>\$ 26,497,684</b>

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

**City of Fort Morgan**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2023**

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

Total net change in fund balances - governmental funds	\$ (6,299,800)
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are capitalized in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay and disposals exceeded depreciation during the period.

Capital outlay	11,902,953
Net book value of capital assets disposed	(11,034)
Depreciation expense	<u>(4,649,155)</u>
Net amount	7,242,764

Payments of long-term debt principal are expenditures in governmental funds, but the payments reduce long-term liabilities in the statement of net position and do not affect the statement of activities. This amount represents payments on long-term debt and accrued interest during the year.	819,475
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Internal service funds are collapsed into governmental activities.	1,084,289
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An increase in accrued compensated absences liability is reflected as an increase to expense on the statement of activities and not reflected as an expense on the governmental fund statement of revenues, expenditures and changes in fund balances.	(74,558)
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Changes in the City's net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the City's pension and OPEB plans for the current year do not require the use of current financial resources, and therefore, are not reported as income in the governmental fund financial statements.	<u>497,129</u>
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Change in net position of governmental activities	<u>\$ 3,269,299</u>
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The accompanying notes are an integral part of these financial statements.

City of Fort Morgan  
Proprietary Funds  
Statement of Net Position  
December 31, 2023

	Business-Type Activities					Governmental Activities	
	Electric Fund	Water Fund	Gas Fund	Wastewater Fund	Other Enterprise Fund		Enterprise Funds
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash, cash equivalents and investments	\$ 3,085,637	\$ 17,700,604	\$ 7,188,527	\$ 5,371,114	\$ 1,429,865	\$ 34,775,747	\$ 8,448,389
Restricted cash, cash equivalents and investments	-	-	-	2,811,922	-	2,811,922	-
Receivables	2,457,444	1,065,933	1,492,423	319,866	142,299	5,477,965	68,436
Prepaid items	174,267	13,022	1,839	3,105	-	192,233	22,992
Inventories	1,795,693	408,351	118,356	-	-	2,322,400	-
<b>Total Current Assets</b>	<b>7,513,041</b>	<b>19,187,910</b>	<b>8,801,145</b>	<b>8,506,007</b>	<b>1,572,164</b>	<b>45,580,267</b>	<b>8,539,817</b>
<b>Non-Current Assets</b>							
Lease receivable	3,265,517	-	-	-	-	3,265,517	-
Capital assets, net of accumulated depreciation	12,552,300	40,983,250	938,551	10,249,815	735,768	65,459,684	-
<b>Total Non-Current Assets</b>	<b>15,817,817</b>	<b>40,983,250</b>	<b>938,551</b>	<b>10,249,815</b>	<b>735,768</b>	<b>68,725,201</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>23,330,858</b>	<b>60,171,160</b>	<b>9,739,696</b>	<b>18,755,822</b>	<b>2,307,932</b>	<b>114,305,468</b>	<b>8,539,817</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows of resources relating to pensions	1,095,854	396,939	328,125	325,437	123,630	2,269,985	-
Deferred outflows of resources relating to OPEB	29,732	10,770	8,903	8,830	3,354	61,589	-
Deferred utility costs	1,113,335	-	-	-	-	1,113,335	-
<b>Total Deferred Outflows of Resources</b>	<b>2,238,921</b>	<b>407,709</b>	<b>337,028</b>	<b>334,267</b>	<b>126,984</b>	<b>3,444,909</b>	<b>-</b>
<b>LIABILITIES</b>							
<b>Current Liabilities:</b>							
Accounts payable	1,518,702	178,278	341,047	72,793	37,778	2,148,598	15,879
Accrued expenses	111,290	30,767	26,841	24,427	10,708	204,033	345,480
Customer deposits	69,674	-	-	-	-	69,674	-
Accrued interest payable	-	17,987	-	-	-	17,987	-
Current portion of long-term debt	-	1,045,000	-	-	-	1,045,000	-
<b>Total Current Liabilities</b>	<b>1,699,666</b>	<b>1,272,032</b>	<b>367,888</b>	<b>97,220</b>	<b>48,486</b>	<b>3,485,292</b>	<b>361,359</b>
<b>Non-Current Liabilities:</b>							
Compensated absences payable	169,927	72,989	47,525	61,018	13,794	365,253	-
Bonds and notes payable	-	5,739,000	-	-	-	5,739,000	-
Net pension liability	2,040,284	739,029	610,909	605,905	230,177	4,226,304	-
Net OPEB liability	133,849	48,482	40,077	39,749	15,100	277,257	-
<b>Total Non-Current Liabilities</b>	<b>2,344,060</b>	<b>6,599,500</b>	<b>698,511</b>	<b>706,672</b>	<b>259,071</b>	<b>10,607,814</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>4,043,726</b>	<b>7,871,532</b>	<b>1,066,399</b>	<b>803,892</b>	<b>307,557</b>	<b>14,093,106</b>	<b>361,359</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unearned revenue	3,228,903	-	188,192	2,811,922	-	6,229,017	-
Deferred inflows related to pensions	55,857	20,051	16,575	16,439	6,245	114,667	-
Deferred inflows related to OPEB	52,154	18,891	15,616	15,488	5,884	108,033	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,336,914</b>	<b>38,942</b>	<b>220,383</b>	<b>2,843,849</b>	<b>12,129</b>	<b>6,451,717</b>	<b>-</b>
<b>NET POSITION</b>							
Net investment in capital assets	12,552,300	34,199,250	938,551	10,249,815	735,768	58,675,684	-
Unrestricted	5,637,339	18,469,145	7,851,391	5,192,533	1,379,462	38,529,870	8,178,458
<b>TOTAL NET POSITION</b>	<b>\$ 18,189,639</b>	<b>\$ 52,668,395</b>	<b>\$ 8,789,942</b>	<b>\$ 15,442,348</b>	<b>\$ 2,115,230</b>	<b>\$ 97,205,554</b>	<b>\$ 8,178,458</b>

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

City of Fort Morgan  
Proprietary Funds  
Statement of Revenues, Expenses  
and Changes in Net Position  
For the Year Ended December 31, 2023

	Business-Type Activities						Governmental Activities
	Electric Fund	Water Fund	Gas Fund	Wastewater Fund	Other Enterprise Fund	Total	
<b>OPERATING REVENUES</b>							
Charges for services	\$ 21,980,045	\$ 10,191,892	\$ 5,928,860	\$ 2,829,279	\$ 1,272,542	\$ 42,202,618	\$ 5,489,345
<b>TOTAL OPERATING REVENUES</b>	<u>21,980,045</u>	<u>10,191,892</u>	<u>5,928,860</u>	<u>2,829,279</u>	<u>1,272,542</u>	<u>42,202,618</u>	<u>5,489,345</u>
<b>OPERATING EXPENSES</b>							
Transmission, distribution and collection	3,891,255	2,066,991	1,116,805	885,273	1,167,268	9,127,592	-
Commodities	15,470,809	-	3,345,262	-	-	18,816,071	-
Self insurance premiums	-	-	-	-	-	-	686,101
Self insurance claims	-	-	-	-	-	-	3,961,685
General administration	419,778	584,449	541,795	428,646	226,266	2,200,934	136,280
Treatment	-	5,839,980	-	1,156,634	-	6,996,614	-
In lieu of fees	3,055,863	-	772,284	133,871	63,616	4,025,634	-
Depreciation expense	879,669	1,454,269	117,688	722,039	144,982	3,318,647	-
<b>TOTAL OPERATING EXPENSES</b>	<u>23,717,374</u>	<u>9,945,689</u>	<u>5,893,834</u>	<u>3,326,463</u>	<u>1,602,132</u>	<u>44,485,492</u>	<u>4,784,066</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(1,737,329)</u>	<u>246,203</u>	<u>35,026</u>	<u>(497,184)</u>	<u>(329,590)</u>	<u>(2,282,874)</u>	<u>705,279</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Earnings on investments	573,028	286,014	199,757	204,801	77,092	1,340,692	18,002
Rents	43,356	-	-	-	-	43,356	-
Other revenues	481,825	849,283	63,694	221,250	4,350	1,620,402	361,008
Interest expense	-	(244,801)	-	-	-	(244,801)	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>1,098,209</u>	<u>890,496</u>	<u>263,451</u>	<u>426,051</u>	<u>81,442</u>	<u>2,759,649</u>	<u>379,010</u>
<b>CHANGES IN NET POSITION</b>	<u>(639,120)</u>	<u>1,136,699</u>	<u>298,477</u>	<u>(71,133)</u>	<u>(248,148)</u>	<u>476,775</u>	<u>1,084,289</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	18,828,759	51,531,696	8,491,465	15,513,481	2,363,378	96,728,779	7,094,169
<b>NET POSITION, END OF YEAR</b>	<u>\$ 18,189,639</u>	<u>\$ 52,668,395</u>	<u>\$ 8,789,942</u>	<u>\$ 15,442,348</u>	<u>\$ 2,115,230</u>	<u>\$ 97,205,554</u>	<u>\$ 8,178,458</u>

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

City of Fort Morgan  
Proprietary Funds  
Statement of Cash Flows  
For the Year Ended December 31, 2023

	Business-Type Activities						Governmental Activities
	Electric Fund	Water Fund	Gas Fund	Wastewater Fund	Other Enterprise Fund	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash received from customers	\$ 20,366,269	\$ 10,227,104	\$ 6,466,564	\$ 2,760,244	\$ 1,271,940	\$ 41,092,121	\$ 5,453,438
Cash payments to suppliers	(20,470,638)	(7,362,186)	(5,093,564)	(1,755,437)	(409,447)	(35,091,272)	(4,769,223)
Cash payments to employees	(2,867,126)	(1,095,216)	(582,963)	(903,529)	(1,057,033)	(6,505,867)	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	(2,971,495)	1,769,702	790,037	101,278	(194,540)	(505,018)	684,215
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>							
Rents	43,356	-	-	-	-	43,356	-
Other income	481,825	405,930	63,694	171,938	3,975	1,127,362	361,008
<b>NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES</b>	525,181	405,930	63,694	171,938	3,975	1,170,718	361,008
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Capital grants and contributions	-	443,343	-	49,312	-	492,655	-
Acquisition of capital assets	(1,446,221)	(1,495,049)	-	(299,475)	(344,251)	(3,584,996)	-
Sale of capital assets	-	10	-	-	375	385	-
Principal paid on long-term debt	-	(1,010,000)	-	-	-	(1,010,000)	-
Interest paid on long-term debt	-	(244,801)	-	-	-	(244,801)	-
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	(1,446,221)	(2,306,497)	-	(250,163)	(343,876)	(4,346,757)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest received	573,028	286,014	199,757	204,801	77,092	1,340,692	18,002
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	573,028	286,014	199,757	204,801	77,092	1,340,692	18,002
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(3,319,507)	155,149	1,053,488	227,854	(457,349)	(2,340,365)	1,063,225
<b>CASH AND CASH EQUIVALENTS</b>							
Beginning of Year	6,405,144	17,545,455	6,135,039	7,955,182	1,887,214	39,928,034	7,385,164
End of Year	\$ 3,085,637	\$ 17,700,604	\$ 7,188,527	\$ 8,183,036	\$ 1,429,865	\$ 37,587,669	\$ 8,448,389
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>							
Operating income (loss)	\$ (1,737,329)	\$ 246,203	\$ 35,026	\$ (497,184)	\$ (329,590)	\$ (2,282,874)	\$ 705,279
<b>Adjustments to reconcile operating income to net cash flows from operating activities</b>							
Depreciation	879,669	1,454,269	117,688	722,039	144,982	3,318,647	-
(Increase) decrease in operating assets:							
Accounts receivable	15,777	35,212	349,512	265	(602)	400,164	(35,907)
Inventories	(143,392)	(17,124)	(4,852)	-	-	(165,368)	-
Deferred outflows	(1,944,923)	(285,415)	38,963	(242,646)	(92,121)	(2,526,142)	-
Prepaid items	(173,922)	(388)	2,014	(105)	-	(172,401)	(16,492)
(Increase) decrease in operating liabilities:							
Accounts payable	(72,132)	156,765	(224,619)	(6,785)	12,419	(134,352)	31,335
Net pension and OPEB liabilities	2,213,694	803,967	661,046	657,983	249,968	4,586,658	-
Deferred inflows	(1,514,239)	(635,775)	(380,219)	(473,473)	(180,186)	(3,183,892)	-
Unearned revenues	(519,150)	-	188,192	(69,300)	-	(400,258)	-
Deposits	2,932	-	-	-	-	2,932	-
Compensated absences payable	21,520	11,988	7,286	10,484	590	51,868	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	\$ (2,971,495)	\$ 1,769,702	\$ 790,037	\$ 101,278	\$ (194,540)	\$ (505,018)	\$ 684,215

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

**City of Fort Morgan**  
**Statement of Fiduciary Net Position**  
**December 31, 2023**

	<b>CEMETERY PERPETUAL CARE FUND</b>	<b>RIVERVIEW COMMONS GID FUND</b>
<b>ASSETS</b>		
Restricted cash, cash equivalents and investments	\$ 798,653	\$ -
Receivables	1,496	-
<b>TOTAL ASSETS</b>	800,149	-
<b>LIABILITIES</b>		
Accounts Payable	1,060	-
<b>TOTAL LIABILITIES</b>	1,060	-
<b>FIDUCIARY NET POSITION</b>	\$ 799,089	\$ -

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

**City of Fort Morgan**  
**Statement of Changes in Fiduciary Net Position**  
**December 31, 2023**

	<b>CEMETERY PERPETUAL CARE FUND</b>	<b>RIVERVIEW COMMONS GID FUND</b>
<b>ADDITIONS</b>		
Charges for services	\$ 12,420	\$ -
Earnings on investments	7,112	-
Transfers in	2,530	93,560
<b>TOTAL ADDITIONS</b>	<u>22,062</u>	<u>93,560</u>
<b>DEDUCTIONS</b>		
Parks and recreation	2,530	-
<b>TOTAL DEDUCTIONS</b>	<u>2,530</u>	<u>-</u>
<b>CHANGE IN FIDUCIARY NET POSITION</b>	<u>19,532</u>	<u>93,560</u>
<b>FIDUCIARY NET POSITION (DEFICIT) BEGINNING OF YEAR</b>	<u>779,557</u>	<u>(93,560)</u>
<b>FIDUCIARY NET POSITION END OF YEAR</b>	<u><u>\$ 799,089</u></u>	<u><u>\$ -</u></u>

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

City of Fort Morgan  
Notes to Financial Statements  
December 31, 2023

## **1. Summary of Significant Accounting Policies**

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The financial statements of the City of Fort Morgan, Colorado (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

### **Reporting Entity**

The City was incorporated in 1887 and adopted its Home Rule Charter during 1914. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety; highways and streets; sanitation; health and social services; culture - recreation; education; public improvements; planning and zoning; and general administrative services. The City's basic financial statements include the accounts of all City operations. As required by GAAP, these financial statements present the activities of the City, which is legally separate and financially independent of other state and local governments.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
2. Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on the application of these criteria, there are no component units included in the City's reporting entity.

### *Government-wide and Fund Financial Statements*

The City uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for all, or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the capital projects funds.

The following are the City's major governmental funds:

*General Fund* - The General Fund (a major fund) is the City's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes, sales tax, franchise tax and other intergovernmental revenues. Expenditures include all costs associated with the daily operations of

City of Fort Morgan  
Notes to Financial Statements  
December 31, 2023

general government, public safety, public works, parks and recreation and community development.

*Capital Improvement Fund* - This fund accounts for the sales tax revenues used to fund the City's capital improvement projects. It is a major special revenue fund.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds or internal service funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The City's major enterprise funds include the Electric, Water, Gas, and Wastewater funds. The internal service fund accounts for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has one internal service fund, the Self Insurance Fund.

For the current year, the City reported two fiduciary funds. The Cemetery Perpetual Care Fund accounts for nonexpendable corpus amounts, of which the investment earnings are transferred to the General Fund to assist in covering operating costs. The Riverview Commons General Improvement District Fund ("District") was created to help defray costs of public improvements needed to serve the residential portion of the project. In 2023, City Council passed a resolution to close the District Fund and transfer any remaining balances into the General Fund.

### **Basis of Presentation**

#### *Government-wide Financial Statements*

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations, with a brief explanation, to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

#### *Fund Financial Statements*

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

City of Fort Morgan  
Notes to Financial Statements  
December 31, 2023

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 collectible 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 sixty days of the end of the current fiscal period. 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 and claims and judgments, are recorded only when payment is due.

Cigarette taxes, sales taxes, auto use taxes, taxpayer-assessed taxes, earnings on investments and charges for services are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

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

### **Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting.

#### *Revenues - Exchange and Non-Exchange Transactions*

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, intergovernmental revenues and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, intergovernmental revenues and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: sales taxes and other intergovernmental revenues.

City of Fort Morgan  
Notes to Financial Statements  
December 31, 2023

*Unearned Revenue*

Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the deferred inflow of resources for unearned revenue is removed and revenue is recognized.

*Expenses/ Expenditures*

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Accounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. The principal operating revenues of the government's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service 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 non-operating revenues and expenses.

*Budgets and Budgetary Accounting*

An annual budget and appropriation ordinance is adopted by the City Council in accordance with the City Charter. The budget is prepared on a basis consistent with GAAP for all governmental and proprietary funds, except that for proprietary funds, principal payments of long-term liabilities and purchases of capital assets are budgeted as expenditures, and the issuance of long-term liabilities are budgeted as other financing sources.

On, or about October 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Also, public hearings are conducted at a special meeting and at regular City Council meetings to obtain taxpayer comments. Prior to December 15, the budget is legally adopted by the City Council.

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations.

All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources. Budgeted expenditures reported in the accompanying financial statements are as originally adopted and as amended by the City Council throughout the year.

City of Fort Morgan  
Notes to Financial Statements  
December 31, 2023

The following is a summary of the original budget, total revisions, and revised budget for those funds with amended budgets for the year ended December 31, 2023:

	Original Budget	Total Revisions	Revised Budget
<b>Governmental funds:</b>			
General Fund	\$ 17,508,186	\$ 5,532,260	\$ 23,040,446
Capital Improvement Fund	11,994,000	3,775,667	15,769,667
Police Forfeiture Fund	-	43,037	43,037
Conservation Trust Fund	1,150,000	-	1,150,000
<b>Internal Service fund:</b>			
Self Insurance Fund	5,410,809	-	5,410,809
<b>Enterprise funds:</b>			
Electric Fund	23,370,181	913,745	24,283,926
Water Fund	9,436,059	795,211	10,231,270
Gas Fund	6,682,822	-	6,682,822
Waste Water Fund	3,282,292	-	3,282,292
Sanitation Fund	1,373,770	427,631	1,801,401
<b>Fiduciary fund:</b>			
Cemetery Perpetual Care Fund	8,000	-	8,000
Riverview GID Fund	-	30,000	30,000
<b>Total funds</b>	<b>\$ 80,216,119</b>	<b>\$ 11,517,551</b>	<b>\$ 91,733,670</b>

*Cash, Cash Equivalents and Investments*

Cash, cash equivalents and investments include cash on hand, demand deposits, certificates of deposit, participation in local government investment pools, government securities, money markets, and corporate securities. All cash equivalents have an original maturity date of less than three months. Cash balances from different funds are combined and invested to the extent possible in local government investment pools.

To improve cash management, cash received by the City is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Cash and Cash Equivalents" in the financial statements. Investments of the City's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported at fair value in accordance with GASB Statement No.72, *Fair Value Measurement and Application*.

*Restricted Cash*

The amounts restricted are in compliance with various debt requirements associated with the City's long term debt.

*Property Taxes*

Property taxes are levied prior to December 31 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on the last day of February and June 15. The County Treasurer's office collects property taxes and remits to the City on a monthly

City of Fort Morgan  
Notes to Financial Statements  
December 31, 2023

basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflows of resources is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflows of resources are recognized as revenue and the receivable is reduced.

*Receivables*

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

*Short-Term Inter-Fund Receivables/Payables*

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

*Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Because these assets do not represent current financial resources, there is a corresponding nonspendable fund balance in the governmental funds.

*Inventories*

Inventories are valued at cost, using the first-in, first-out method. Because these assets do not represent current financial resources, there is a corresponding nonspendable fund balance in the governmental funds.

*Capital Assets*

Capital assets, which include land, buildings and other improvements, infrastructure, machinery and equipment, and vehicles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements, and in the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

<u>Description</u>	<u>Life</u>
Buildings & other improvements	30 years
Infrastructure	20 years
Vehicles & equipment	5 - 10 years
Utility systems	10 – 40 years

*Leases Receivable*

The City recognizes a lease receivable and a deferred inflow of resources in both the government-wide and fund financial statements. At the commencement of a lease, the City initially measures the

City of Fort Morgan  
Notes to Financial Statements  
December 31, 2023

lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The discount rate used is the City's estimated incremental borrowing rate. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

*Compensated Absences Payable*

Vested or accumulated vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. Compensated absences are reported in governmental funds only if they have matured.

*Accrued Liabilities and Long-Term Obligations*

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental or business-type activities. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method as principal is paid. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are recognized as an expenditure/ expense during the period of issuance.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. Payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

*Deferred Out flows/Inflows of Resources*

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred outflows of resources for pension and OPEB related amounts. See Notes 8 and 9 for additional information.

City of Fort Morgan  
Notes to Financial Statements  
December 31, 2023

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resources relating to property taxes. In addition, the City reports deferred inflows of resources for pension and OPEB-related amounts. See Notes 6, 8 and 9 for additional information.

*Fund Balance and Net Position*

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the City, which is not restricted for any project or other purpose. A deficit will require future funding.

In the governmental fund financial statements, fund balances are classified in five separate categories. The categories, and their general meanings, are as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through resolutions approved by the City Council.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has authority to assign amounts for specific purposes.

Unassigned - all other spendable amounts. Only the General Fund reports a positive unassigned fund balance. In other governmental funds, other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to other purposes, the funds would report a negative unassigned fund balance; however, any amount reported as assigned fund balance would have to be eliminated before a negative unassigned fund balance could be reported.

City of Fort Morgan  
Notes to Financial Statements  
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As of December 31, 2023, fund balances were composed of the following:

	General Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>				
Inventories	\$ 67,379	\$ -	\$ -	\$ 67,379
Prepaid items	108,238	-	-	108,238
<b>Committed:</b>				
Environmental	-	31,450	-	31,450
<b>Restricted:</b>				
Emergency reserve	472,920	-	-	472,920
Donations and memorials	127,036	-	-	127,036
Parks and recreation	55,303	-	626,840	682,143
Public safety	41,321	-	-	41,321
Capital improvements	1,342,291	-	-	1,342,291
<b>Unassigned:</b>	<u>23,624,906</u>	<u>-</u>	<u>-</u>	<u>23,624,906</u>
<b>Total</b>	<u>\$ 25,839,394</u>	<u>\$ 31,450</u>	<u>\$ 626,840</u>	<u>\$ 26,497,684</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to use restricted resources first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

*Contribution of Capital*

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources to be used for capital acquisition and construction.

*Interfund Transactions*

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/ expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/ expenses in the reimbursing fund and as reductions of expenditures/ expenses in the fund that is reimbursed. All other inter-fund transactions are reported as transfers.

*Contraband Forfeitures*

The Colorado Contraband Forfeiture Act allows law enforcement agencies to retain proceeds from the seizure of contraband. These proceeds are not subject to appropriation in the budget process. Cash proceeds are recorded in the Police Forfeiture Fund. Property and equipment seized are recorded as governmental capital assets.

*Pensions*

The City participates in the Local Government Division Trust Fund ("LGDTF"), a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to / deductions

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from the fiduciary net position of the LGDTF 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. In addition, the City contributes to a Volunteer Pension Plan and Old Hire Pension Plan; agent multiple employer plans administered by the Fire and Police Pension Association of Colorado ("FPPA").

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the plans 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.

*Other Post-Employment Benefits ("OPEB")*

The City participates in the Health Care Trust Fund ("HCTF"), a cost-sharing multiple -employer defined benefit OPEB fund administered by PERA. The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

*Use of Estimates*

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and could be material.

*New Accounting Standards*

GASB Statement No. 96, Subscription-Based Information Technology Arrangements, issued May 2020, improves accounting and financial reporting for software. GASB Statement No. 101, Compensated Absences, issued June 2022, improves accounting and financial reporting for compensated absences. The City adopted both GASB 96 and GASB 101 for the period ended December 31, 2023. A restatement of the prior period was not required.

**2. Cash and Investments**

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A summary of cash and investments as of December, 31, 2023, follows:

Cash on hand	\$ 4,016
Cash with county treasurer	17,892
Cash in financial institutions	23,867,812
Investments	<u>50,316,684</u>
Total	<u>\$ 74,206,404</u>

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

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	Governmental Activities	Business-Type Activities	Fiduciary fund statements	Total
Cash, cash equivalents, and investments	\$ 33,848,965	\$ 34,775,747	\$ -	\$ 68,624,712
Restricted cash, cash equivalents, and investment	1,971,117	2,811,922	798,653	5,581,692
	<u>\$ 35,820,082</u>	<u>\$ 37,587,669</u>	<u>\$ 798,653</u>	<u>\$ 74,206,404</u>

*Custodial Credit Risk - Deposits*

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The City's deposit policy is in accordance with Colorado Revised Statutes, ("CRS") 11 -1 0.5-101, the Colorado Public Deposit Protection Act ("PDPA"), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is maintained by another institution or held in trust for all of 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 institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized.

The State Regulatory Commission for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2023, the City had deposits with financial institutions with a carrying amount of \$23,867,812. The bank balances with the financial institutions were \$24,414,821, of which \$1,000,000 was covered by federal depository insurance. The remaining balance of \$23,414,821 was collateralized with securities held by the financial institutions' agents but not in the City's name.

At December 31, 2023, the City had the following investments:

Investments	S&P Rating	Fair Value	Maturity Date (in years)		Concentration of Credit Risk
			Less than 1	1 to Less than 5	
Certificates of Deposit	NR	\$ 1,863,827	N/A	N/A	3.70%
US Treasury Bonds/Notes	AA+	24,457,535	2,414,002	22,043,533	48.61%
Municipal Bonds/Notes	AA-/AAA	1,156,358	406,216	750,142	2.30%
Federal Agency Collateralized Mortgage	AA+	6,680,898	338,203	6,342,695	13.28%
Federal Agency Bonds/Notes	AA+	2,860,960	193,503	2,667,457	5.69%
Corporate Securities	A+/AA+	4,419,372	-	4,419,372	8.78%
Bank Note	A+	635,374	-	635,374	1.26%
<b>Subtotal Investments</b>		<u>\$ 42,074,324</u>			
Local Government Investment Pool (CSIP)	AAAm	8,242,360	N/A	N/A	16.38%
<b>Total</b>		<u>\$50,316,684</u>			

The City's investments measured and reported at fair value are classified according to the following hierarchy: level 1 investments reflect prices quoted in active markets; level 2 investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; level 3 investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment risk.

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The City's investment balances at fair value hierarchy are as follows:

<b>Investments</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Certificates of Deposit	\$ -	\$ 1,863,827	\$ -	\$ 1,863,827
US Treasury Bonds/Notes	-	24,457,535	-	24,457,535
Municipal Bonds/Notes	-	1,156,358	-	1,156,358
Federal Agency Collateralized Mortgage Oblig	-	6,680,898	-	6,680,898
Federal Agency Bonds/Notes	-	2,860,960	-	2,860,960
Corporate Securities	4,419,372	-	-	4,419,372
Bank Note	-	635,374	-	635,374
<b>Total</b>	<b>\$ 4,419,372</b>	<b>\$ 37,654,952</b>	<b>\$ -</b>	<b>\$ 42,074,324</b>

*Custodial Credit Risk – Investments*

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a specific policy for custodial credit risk. As of December 31, 2023, the City had no investments exposed to custodial credit risk.

*Credit Risk - Investments*

State statutes and the City's investment policies authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

*Interest Rate Risk*

Colorado Revised Statutes and the City's investment policies limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value fluctuations arising from changing interest rates.

*Colorado Statewide Investment Plan - CSIP*

As of December 31, 2023, the City invested in PFM Funds Prime Series, Colorado Investors Class, a money market mutual fund (marketed as the Colorado Statewide Investment Program or CSIP). The Prime Series is a separate investment portfolio of PFM Funds (the "Trust"). The Trust is an open-ended, diversified, management investment company registered under the Investment Company Act of 1940. The PFM Funds Prime Series invests in obligations of the United States Government and its agencies, high quality debt obligations of U.S. companies and obligations of financial institutions and is rated AAm by Standard & Poor's. PFM Asset Management, LLC serves as the investment advisor, administrator and transfer agent. Shares of the Fund are distributed by PFM Fund Distributors, Inc., member Financial Industry Regulatory Authority ("FINRA"). U.S. Bank N.A serves as the custodian and acts as safekeeping agent. These money market funds seek to earn the highest income consistent with preserving principal and maintaining liquidity, and to maintain a stable \$1.00 net asset value. The City records its investment in CSIP at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

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**3. Interfund Transactions**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and, (4) to close a fund. Contributed capital between the governmental funds and proprietary funds is shown within the transfer line for financial statement presentation.

In 2023, the City closed two funds through a transfer of fund balance: (1) the Riverview Commons GID Fund, and (2) the Police Forfeiture Fund. Negative fund balance in the Riverview Commons GID Fund of \$93,560 was transferred to the General Fund, and the Police Forfeiture Fund transferred \$43,037 to the General Fund.

**4. Receivables**

Receivables at December 31, 2023, consist of the following:

	Governmental Funds	Proprietary Funds	Internal Service Fund	Fiduciary Funds	Total
Taxes	\$ 2,427,332	\$ -	\$ -	\$ -	\$2,427,332
Trade accounts	372,934	515,588	68,227	1,060	957,809
Unbilled revenues	-	4,962,377	-	-	4,962,377
Intergovernmental	1,506,432	-	-	-	1,506,432
Other	1,078	-	209	436	1,723
<b>Total</b>	<b>\$ 4,307,776</b>	<b>\$ 5,477,965</b>	<b>\$ 68,436</b>	<b>\$ 1,496</b>	<b>\$9,855,673</b>

**5. Capital Assets**

Governmental capital assets activity for the year ended December 31, 2023, was as follows:

	Balance December 31, 2022	Transfers/ Additions	Transfers/ Retirements	Balance December 31, 2023
<b>Governmental Activities</b>				
Capital assets, <i>not being depreciated</i> :				
Land	\$ 4,865,833	\$ -	\$ -	\$ 4,865,833
Construction in progress	3,274,270	1,679,159	(700,552)	4,252,877
Total capital assets, <i>not being depreciated</i>	8,140,103	1,679,159	(700,552)	9,118,710
Capital assets, being depreciated:				
Infrastructure	50,278,253	4,564,766	-	54,843,019
Land improvements	15,374,017	95,478	-	15,469,495
Buildings and improvements	25,006,761	5,691,148	(53,348)	30,644,561
Vehicles and Equipment	7,481,985	189,983	(83,235)	7,588,733
General equipment	5,400,217	307,158	(45,142)	5,662,233
Golf Course	4,163,139	92,775	(16,961)	4,238,953
Total capital assets, being depreciated	107,704,372	10,941,308	(198,686)	118,446,994
Accumulated Depreciation	(47,887,797)	(4,649,155)	170,690	(52,366,262)
Total capital assets, <i>being depreciated, net</i>	59,816,575	6,292,153	(27,996)	66,080,732
Total governmental activities capital assets, net	\$ 67,956,678	\$ 7,971,312	\$ (728,548)	\$ 75,199,442

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Depreciation for governmental activity capital assets has been allocated to the various activities as follows:

General government	\$ 683,992
Public safety	454,813
Community development & public works	2,040,728
Parks and recreation	1,469,622
Total	<u>\$ 4,649,155</u>

Business-type capital assets activity for the year ended December 31, 2023, is summarized below:

	<b>Balance December 31, 2022</b>	<b>Transfers/ Additions</b>	<b>Transfers/ Retirements/ Adjustments</b>	<b>Balance December 31, 2023</b>
<b>Business-Type Activities</b>				
Capital assets, <i>not being depreciated</i> :				
Land	\$ 952,064	\$ -	\$ -	\$ 952,064
Water rights	11,580,405	25,000	-	11,605,405
Construction in progress	1,101,154	-	(1,101,154)	-
Total capital assets, <i>not being depreciated</i>	<u>13,633,623</u>	<u>25,000</u>	<u>(1,101,154)</u>	<u>12,557,469</u>
Capital assets, being depreciated:				
Electric system	30,214,802	1,508,630	(151,355)	31,572,077
Water system	57,134,600	1,470,049	(69,598)	58,535,051
Gas system	4,922,994	-	-	4,922,994
Sewer system	22,642,904	1,338,220	-	23,981,124
Sanitation system	1,885,065	344,251	(153,680)	2,075,636
Total capital assets, being depreciated	<u>116,800,365</u>	<u>4,661,150</u>	<u>(374,633)</u>	<u>121,086,882</u>
Accumulated Depreciation	<u>(65,240,653)</u>	<u>(3,318,647)</u>	<u>374,633</u>	<u>(68,184,667)</u>
Total capital assets, <i>being depreciated</i> , net	<u>51,559,712</u>	<u>1,342,503</u>	<u>-</u>	<u>52,902,215</u>
Total business-type activities capital assets, net	<u>\$ 65,193,335</u>	<u>\$ 1,367,503</u>	<u>\$ (1,101,154)</u>	<u>\$ 65,459,684</u>

Depreciation for business-type capital assets has been allocated to the various activities as follows:

Electric	\$ 879,669
Water	1,454,269
Gas	117,688
Waste Water	722,039
Sanitation	144,982
	<u>\$ 3,318,647</u>

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**6. Lease Receivable**

The City is a lessor of a long-term lease of a fiber network which enables the lessee to provide gigabit broadband internet access services and capabilities for Fort Morgan residents. The initial lease term is twenty years with monthly rent due in equal installments. The lease receivable is recorded in an amount equal to the present value of the expected future minimum lease payments received, discounted by an applicable interest rate. Future annual lease payments are as follows:

Year ending December 31,	Principal	Interest	Total
2024	179,719	65,261	244,980
2025	183,438	61,542	244,980
2026	187,234	57,746	244,980
2027	191,109	53,871	244,980
2028	195,064	49,916	244,980
2029-2039	2,328,953	263,752	2,592,705
Total	<u>\$ 3,265,517</u>	<u>\$ 552,088</u>	<u>\$ 3,817,605</u>

The City recognized lease revenue of \$205,892 and interest of \$68,904 during 2023.

**7. Long-term Debt**

Following is a summary of governmental long-term debt activity for the year ended December 31, 2023:

Governmental activities	Balance at December 31, 2022	Additions*	Payments	Balance at December 31, 2023	Due Within One Year
Other obligations:					
Fieldhouse	\$ 8,520,000	\$ -	\$ (591,000)	\$ 7,929,000	\$ 601,000
Fire Trucks	1,691,277	-	(195,036)	1,496,241	152,178
Compensated Absences	493,919	74,558	-	568,477	79,587
Total	<u>\$ 10,705,196</u>	<u>\$ 74,558</u>	<u>\$ (786,036)</u>	<u>\$ 9,993,718</u>	<u>\$ 832,765</u>

\*Change in compensated absences is presented as a net change.

*Lease Purchase Financing, Series 2020*

During 2020, the City entered into a lease agreement as lessee to construct, install, improve, and equip a new Community Center and Field House on property currently owned by the City. The lease is renewable in one-year terms through 2035 and all rent is to be paid from currently budgeted expenditures of the City, using legally available funds. The City's future minimum lease obligations related to the Field House lease will mature as follows:

Year ending December 31,	Principal	Interest	Total
2024	601,000	130,883	731,883
2025	612,000	120,512	732,512
2026	623,000	109,969	732,969
2027	634,000	99,236	733,236
2028	644,000	88,324	732,324
2029-2035	4,815,000	298,160	5,113,160
Total	<u>\$ 7,929,000</u>	<u>\$ 847,084</u>	<u>\$ 8,776,084</u>

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*2022 Financing Arrangement, Fire Trucks*

During 2022, the City entered into a financing arrangement to purchase a fire and ladder truck. The financing is limited to one-year terms through 2032 and all payments are to be paid from currently budgeted expenditures of the City, using legally available funds. The City's future minimum payment obligations related to the Fire Trucks will mature as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	152,178	48,628	200,806
2025	157,123	43,682	200,805
2026	162,230	38,576	200,806
2027	167,502	33,303	200,805
2028	172,946	27,859	200,805
2029-2032	684,261	53,373	737,634
Total	<u>\$ 1,496,240</u>	<u>\$ 245,421</u>	<u>\$ 1,741,661</u>

Following is a summary of business-type long-term debt activity for the year ended December 31, 2023:

<b>Business-type activities</b>	<b>Balance at December 31, 2022</b>	<b>Additions*</b>	<b>Payments</b>	<b>Balance at December 31, 2023</b>	<b>Due Within One Year</b>
Bonds payable:					
2015 Water Revenue Refunding	\$ 7,794,000	\$ -	\$ (1,010,000)	\$ 6,784,000	\$ 1,045,000
	<u>7,794,000</u>	<u>-</u>	<u>(1,010,000)</u>	<u>6,784,000</u>	<u>1,045,000</u>
Other obligations:					
Compensated Absences	313,385	51,868	-	365,253	58,440
	<u>313,385</u>	<u>51,868</u>	<u>-</u>	<u>365,253</u>	<u>58,440</u>
Total	<u>\$ 8,107,385</u>	<u>\$ 51,868</u>	<u>\$ (1,010,000)</u>	<u>\$ 7,149,253</u>	<u>\$ 1,103,440</u>

\*Change in compensated absences is presented as a net change.

*2015 Water Revenue Refunding bond*

During 2015, the City issued a \$14,635,000 Water Revenue Refunding Bond to NBH Bank, N.A. The bond was issued for the redemption of the remaining portion of the 1995 Colorado Water Conservation Board Note Payable, the 1999 Colorado Water Conservation Board Note Payable, and the 1999A and 1999B USDA Revenue Bonds. The note requires annual principal payments due on December 1st and semi-annual interest payments due on June 1st and December 1st of each year. The payments range from \$1,257,658 to \$1,262,157 annually and are payable through December 2029. The loan bears interest at a rate of 3.130% per annum. The annual requirements to amortize all outstanding business-type activities long-term debt for the year ended December 31, 2023 are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest and Servicing Fees</u>	<u>Total</u>
2024	1,045,000	215,910	1,260,910
2025	1,080,000	182,157	1,262,157
2026	1,110,000	130,319	1,240,319
2027	1,145,000	112,690	1,257,690
2028	1,185,000	76,531	1,261,531
2029	1,219,000	56,250	1,275,250
Total	<u>\$ 6,784,000</u>	<u>\$ 773,857</u>	<u>\$ 7,557,857</u>

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**8. Pension Plans**

The following table presents combined information relating to the City's defined benefit pension plans as of and for the year ended December 31, 2023:

	<b>Volunteer Firefighters' Pension Plan</b>	<b>Police Old Hire Pension Fund</b>	<b>Local Government Division Trust Fund</b>	<b>Total</b>
<b>Deferred outflows of resources:</b>				
Differences between expected and actual experience	\$ 23,071	\$ -	\$ -	\$ 23,071
Changes of assumptions or other inputs	22,794	-	-	22,794
Net difference between projected and actual earnings on pension plan investments	190,322	69,645	3,882,087	4,142,054
City contributions subsequent to the measurement date	281,235	141,059	1,225,358	1,647,652
Total deferred outflows of resources relating to pension	<u>\$ 517,422</u>	<u>\$ 210,704</u>	<u>\$ 5,107,445</u>	<u>\$ 5,835,571</u>
<b>Deferred inflows of resources:</b>				
Differences between expected and actual experience	14,334	-	47,405	61,739
Net differences between projected and actual earnings on pension plan investments	105,319	7,527	-	112,846
Changes in proportionate share	-	-	210,598	210,598
Total deferred inflows of resources relating to pensions	<u>\$ 119,653</u>	<u>\$ 7,527</u>	<u>\$ 258,003</u>	<u>\$ 385,183</u>
Net pension liability as of December 31, 2023	<u>\$ 1,482,474</u>	<u>\$ 904,410</u>	<u>\$ 9,509,148</u>	<u>\$ 11,896,032</u>
Total pension expense for the year ended December 31, 2023	<u>\$ 191,613</u>	<u>\$ 171,674</u>	<u>\$ 639,098</u>	<u>\$ 1,002,385</u>

Total deferred outflows of resources, deferred inflows of resources, pension liability and pension expense are reported in the financial statements as follows:

	<b>Governmental Activities</b>	<b>Enterprise Activities</b>	<b>Total</b>
Deferred outflows of resources	\$ 3,565,586	\$ 2,269,985	\$ 5,835,571
Deferred inflows of resources	270,515	114,668	385,183
Net pension liability	7,669,727	4,226,305	11,896,032
Net pension expense	718,340	284,045	1,002,385

**Fort Morgan Volunteer Fire Department Pension Plan**

*Plan Description.* The City has established the Volunteer Firefighters' Pension Plan (the "Plan"), an agent multiple employer defined benefit pension plan administered by the FPPA. As of December 31, 2022, the Plan has 43 retirees and beneficiaries, 1 inactive, nonretired member, and 26 active current members. FPPA issues an annual, publicly available annual comprehensive financial report that includes the assets of the Volunteer Plan. The report may be obtained on FPPA's website at <http://www.fppaco.org>.

*Benefits Provided.* The plan provides for a monthly pension of \$475 for volunteers who have satisfied the normal age and service requirements and pro rata pensions for volunteers who have satisfied the normal age, but only a portion of the service requirement. It further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. The normal age and service requirement is the latest date a volunteer reaches 50 years of age or completes 20 years of service. Pro rata pensions would apply to volunteers who reached 50 years of age and had between 10 and 20 years of service. The plan also provides a funeral benefit, lump sum one-time only payment of \$950.

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*Funding Policy.* The Plan receives contributions from the City's general fund in the amount that agrees to the actuarial study. Contributions are established and may be amended by the City's Pension Board. An actuary is used to determine the adequacy of contributions. The actuarial study as of January 1, 2023, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Plan. Contributions to the Plan from the City were \$181,659 and from the State were \$92,487, a total of \$274,146 for the year ended December 31, 2023.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At December 31, 2023, the City reported a net pension liability of \$1,482,474. The net pension liability was measured as of December 31, 2022, and was determined by an actuarial valuation as of January 1, 2023. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2023, and may be used for December 31, 2023, reporting purposes.

For the year ended December 31, 2023, the City recognized pension expense of \$191,613. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,071	\$ 14,334
Net difference between projected and actual earnings on pension plan investments	85,003	-
Changes of assumptions or other inputs	22,794	-
City Contributions subsequent to the measurement date	281,235	-
	\$ 412,103	\$ 14,334

The \$281,235 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended 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,	Amortization
2024	\$ (625)
2025	29,645
2026	39,935
2027	47,579
Total	\$ 116,534

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*Actuarial Assumptions.* The total pension liability as of the December 31, 2022, measurement date was determined using the following actuarial assumptions, applied to all period included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year smoothed fair value
Investment rate of return	7.0%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.  Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.05% (based on the weekly rate closest to but not later than the measurement date of the "state ft local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Projected cash flows used in determining the Single Discount Rate are available upon request.

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

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

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*Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1.00 % Decrease	Current Discount Rate	1.00% Increase
Net pension liability / (asset)	\$1,834,844	\$1,482,474	\$1,192,373

Change in Net Pension (Asset) Liability

	<b>Total Pension (Asset) Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension (Asset) Liability (a)-(b)</b>
<b>Balances at December 31, 2021</b>	\$ 2,773,560	\$ 1,568,675	\$ 1,204,885
Changes for the year			-
Service cost	7,266	-	7,266
Interest	187,135	-	187,135
Benefit changes	153,692	-	153,692
Difference between expected and actual experience of Total Pension Liability	31,096	-	31,096
Changes of assumptions	30,723	-	30,723
Benefit payments	(211,110)	(211,110)	-
Contributions - employer	-	197,554	(197,554)
Net investment income	-	(126,456)	126,456
Pension Plan Administrative Expense	-	(15,367)	15,367
State of Colorado supplemental discretionary payme	-	76,592	(76,592)
<b>Balances at December 31, 2022</b>	<b>\$ 2,972,362</b>	<b>\$ 1,489,888</b>	<b>\$ 1,482,474</b>

*FPPA System Description.* The Fire & Police Pension Association administers an agent multiple employer Public Employee Retirement System ("PERS"). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available annual comprehensive financial report that can be obtained at <http://www.fppaco.org>.

**City of Fort Morgan Police Department Money Purchase Pension Plan**

*Plan Description.* The money purchase pension plan is a defined contribution plan, with benefits dependent on amounts contributed to the plan and investment earnings. Employees are eligible to participate from the date of employment. All changes to the plan must be approved by the City Council.

*Funding Policy.* The City and employees each contribute 8% of covered salary, with the rate increased to 10% effective October 1, 2007, to 11.9% effective January 1, 2008, and to 12.8% effective January 1, 2009. The City's contributions vest with the employee at 50% after being with the City 5 years and increase 10% annually thereafter until the employee is 100% vested. Forfeited contributions and related earnings on investments are used to offset the City's current contributions.

During 2023, the City's covered payroll under the plan was \$2,524,875. The City made all required contributions for the plan year. The City contributed \$323,184, \$241,274, and \$276,047 for the years ended December 31, 2023, 2022, and 2021, respectively.

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**City of Fort Morgan Police Old Hire Pension Fund**

*Plan Description.* City police officers that did not transfer to the Money Purchase Pension Plan participate in the City of Fort Morgan Police Old Hire Pension Fund; an agent multiple-employer public retirement program administered by the FPPA. As of December 31, 2022, the Plan has 3 retired members. FPPA issues an annual, publicly available financial report that includes the assets of the Old Hire Plan. That report may be obtained on FPPA's website at <http://www.fppaco.org>.

*Benefits Provided.* The defined benefit plan provides retirement benefits for members and beneficiaries. Members are eligible to retire upon completion of 25 years of service or the completion of 20 years of service and reaching 55 years of age.

*Funding Policy.* The plan receives contributions from the City in the amount as required by the actuarial valuation for the plan. Contributions are established and may be amended by the City's Pension Board. An actuary is used to determine the adequacy of contributions. The actuarial study as of January 1, 2022, indicated that the current levels of contributions to the fund are adequate to support on an actuarially sound basis the prospective benefits for the present Plan. Contributions to the Plan from the City were \$141,059 for the year ended December 31, 2023.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At December 31, 2023, the City reported a net pension liability of \$904,410. The net pension liability was measured as of December 31, 2022, and was determined by an actuarial valuation as of January 1, 2022. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2023 and may be used for December 31, 2023 reporting purposes.

For the year ended December 31, 2023, the City recognized pension expense of \$171,674. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 62,118	\$ -
City Contributions subsequent to the measurement date	141,059	-
	\$ 203,177	\$ -

The \$141,059 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended 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:

<b>Year ended December 31,</b>	<b>Amortization</b>
2024	\$ 12,911
2025	15,914
2026	18,177
2027	15,116
Total	\$ 62,118

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*Actuarial Assumptions:* The total pension liability as of the December 31, 2022, measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Asset Valuation Method	5-Year smoothed fair value
Inflation	2.50%
Salary increases	N/A
Investment rate of return	4.50%
Retirement Age	Any remaining actives are assumed to be retired immediately.
Mortality	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled (pre-1980): Post retirement rate set forward three years.

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 4.05% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 4.50%.

Projected cash flows used in determining the Single Discount Rate are available upon request.

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

Asset Class	Target Allocation	Long Term Expected Nominal Rate of Return
Cash	10.0%	4.4%
Fixed Income - Rates	70.0%	4.9%
Fixed Income - Credit	10.0%	6.6%
Absolute Return	0.0%	6.9%
Long Short	0.0%	6.7%
Global Public Equity	10.0%	8.7%
Private Capital	0.0%	10.2%
Total	100.0%	

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*Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability calculated using the discount rate of 4.50 percent, as well as the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50 percent) or 1- percentage-point higher (5.50 percent) than the current rate:

	1.00 % Decrease	Current Discount Rate	1.00% Increase
Net pension liability	\$999,312	\$904,410	\$822,295

*FPPA System Description.* The Fire & Police Pension Association administers an agent multiple employer PERS. The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available annual comprehensive financial report that can be obtained at [www:http://www.fppaco.org](http://www.fppaco.org).

Change in Net Pension (Asset) Liability

	<b>Total Pension (Asset) Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension (Asset) Liability (a)-(b)</b>
<b>Balances at December 31, 2021</b>	\$ 1,242,518	\$ 425,861	\$ 816,657
Changes for the year			
Interest	57,931	-	57,931
Benefit changes	110,184	-	110,184
Contributions - employer	-	141,059	(141,059)
Net investment income	-	(56,323)	56,323
Benefit payments	(132,132)	(132,132)	-
Administrative expenses	-	(4,374)	4,374
Net Changes	35,983	(51,770)	87,753
<b>Balances at December 31, 2022</b>	<b>\$ 1,278,501</b>	<b>\$ 374,091</b>	<b>\$ 904,410</b>

The City provides pension benefits to all of its full-time police officers through either its "Money Purchase Pension Plan" or through the "Old Hire Plan".

**General Employee Pension Plan**

*Plan Description.* Eligible employees of the City are provided with pensions through the Local Government Division Trust Fund - a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF 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.

*Benefits Provided as of December 31, 2023.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51- 602, 604, 1713, and 1714.

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The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007 will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters as specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

*Contributions Provisions as of December 31, 2023:* Eligible employees of the City are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 9.0 percent of their PERA-includable salary during the period of January 1, 2023 through December 31, 2023.

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The employer contribution requirements during the period of January 1, 2023 through December 31, 2023 are summarized in the table below:

	January to December 2023
Employer Contribution Rate <sup>1</sup>	11.00%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in CRS § 24-51-208(1)(f) 1	(1.02)%
Amount Apportioned to the LGDTF <sup>1</sup>	9.98%
Amortization Equalization Disbursement (AED) as specified in CRS § 24-51-411 1	2.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in CRS 24-51-411 1	1.50%
Defined Contribution Supplement as specified in C.R.S. § 24-51-415	.06%
Total Employer Contribution Rate to the LGDTF <sup>1</sup>	13.21%

<sup>1</sup>Contribution Rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$1,225,358 for the year ended December 31, 2023.

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

At December 31, 2023, the City reported a liability of \$9,509,148 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2022. The City's proportion of the net pension liability was based on City contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers to the LGDTF.

At December 31, 2022, the City's proportion was 0.9484838103 percent, which was a decrease of 0.07166914 percent from its proportion measured as of December 31, 2021. For the year ended December 31, 2023, the City recognized pension expense of \$639,098.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 47,405
Net difference between projected and actual earnings on pension plan investments	3,882,087	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	210,598
City contributions subsequent to the measurement date	<u>1,225,358</u>	-
Total	<u>\$ 5,107,445</u>	<u>\$ 258,003</u>

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The \$1,225,358 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. 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,	Amortization
2024	\$ (603,022)
2025	531,433
2026	1,421,028
2027	<u>2,274,644</u>
	<u>\$ 3,624,083</u>

*Actuarial Assumptions*

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% – 11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Postretirement benefit increases:	
PERA benefit structure hired prior to 1/7/07	1.00%
PERA benefit structure hired after 12/31/06 <sup>1</sup>	Financed by the Annual Increase Reserve

<sup>1</sup>Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

The total pension liability as of December 31, 2022, was adjusted to reflect the disaffiliation of Tri-County Health Department effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

Post retirement non-disabled mortality assumptions were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

Males: 97% of the rates for all ages, with generational projection using scale MP-2019.

Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors were considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis 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 long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of returns at its Board meeting November 15, 2019, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
<b>Total</b>	<b>100.00%</b>	

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year and the required adjustments resulting from the 2018 and 2020 AAP assessments.

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Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and the 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1.00 % Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
City's proportionate share of the net pension liability	\$15,963,466	\$9,509,148	\$4,105,816

*Pension Plan Fiduciary Net Position.* Detailed information about the LGDTF's fiduciary net position is available in PERA's annual comprehensive financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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**9. Defined Benefit Other Post Employment Benefit Plan**

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*OPEB.* The City participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

*Plan Description.* Eligible employees of the City are provided with OPEB through the HCTF - a cost-sharing multiple-employer defined benefit OPEB plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits Provided.* The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund ("DPS HCTF"). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

*PERA Benefit Structure.* The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit

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recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

*Contributions.* Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, District, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City were \$90,362 for the year ended December 31, 2023.

*OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.*

At December 31, 2023, the City reported a liability of \$623,828 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022. The City's proportion of the net OPEB liability was based on contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the City's proportion was 0.07640 percent, which was a decrease of 0.00290 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized OPEB income of \$10,129. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 81	\$ 150,863
Net difference between projected and actual earnings on OPEB plan investments	38,102	-
Changes in assumption or other inputs	10,027	68,851
Changes in proportionate share	-	23,361
District contributions subsequent to the measurement date	90,362	-
Total	<u>\$ 138,572</u>	<u>\$ 243,075</u>

The \$90,362 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in

City of Fort Morgan  
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the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended December 31,</b>	<b>Amorization</b>
2024	\$ (71,407)
2025	(67,615)
2026	(29,086)
2027	(1,748)
2028	(20,053)
Thereafter	(4,955)
	\$ (194,864)

*Actuarial Assumptions:* The total OPEB liability in the December 31, 2021, valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.20% – 10.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	0.0 percent
Service-based premium subsidy	6.50% in 2022, gradually decreasing to 4.50% in 2029
PERACare Medicare plans	3.75% in 2022, gradually increasing to 4.50 percent in 2029
Medicare Part A premiums	

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

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December 31, 2023

**Age-Related Morbidity Assumptions**

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$1,704	\$1,450	\$583	\$496	\$1,923	\$1,634
70	\$1,976	\$1,561	\$676	\$534	\$2,229	\$1,761
75	\$2,128	\$1,681	\$728	\$575	\$2,401	\$1,896

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	\$6,514	\$5,542	\$4,227	\$3,596	\$6,752	\$5,739
70	\$7,553	\$5,966	\$4,901	\$3,872	\$7,826	\$6,185
75	\$8,134	\$6,425	\$5,278	\$4,169	\$8,433	\$6,657

The 2022 Medicare Part A premium is \$499 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

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Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

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Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits have been updated to reflect the change in costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the then-current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis 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

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combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
<b>Total</b>	<b>100.00%</b>	

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25 percent.

*Sensitivity of the City's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% decrease in trend	Current trend rates	1% increase in trend
Initial PERACare Medicare trend	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$606,171	\$623,828	\$643,041

*Discount rate.* The discount rate used to measure the total OPEB liability was 7.25 percent. The basis for the projection of liabilities and the FNP used to determine the discount rate was an actuarial valuation performed as of December 31, 2021, and the financial status of the Trust Fund as of the prior measurement date. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

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December 31, 2023

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the HCTF's FNP was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the City's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$723,202	\$623,828	\$538,832

*OPEB plan fiduciary net position.* Detailed information about the HCTF's fiduciary net position is available in PERA's Annual Report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

The total OPEB deferred outflows of resources, OPEB deferred inflows of resources, OPEB liability and OPEB income are reported in the financial statements as follows at December 31, 2023:

<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Enterprise Activities</u>	<u>Total</u>
Deferred outflows of resources	\$ 76,984	\$ 61,588	\$ 138,572
Deferred inflows of resources	135,041	108,034	243,075
Net OPEB liability	346,570	277,258	623,828
Net OPEB expense/(income)	(5,627)	(4,502)	(10,129)

## 10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the City carries commercial insurance. The City consolidates all its risk management activities into the Self Insurance Fund. Premiums are paid into the Risk Related Insurance Fund and are available to pay commercial insurance premiums, claims, and administrative costs of insurance related activities. The amounts of settlements have not exceeded insurance coverage the past three years, nor were there any significant changes in insurance coverage.

City of Fort Morgan  
Notes to Financial Statements  
December 31, 2023

**11. Contingencies**

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*Grants and Contributions*

The City participates in a number of federal, state, and county 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, 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 any of the individual governmental funds or the overall financial position of the City.

*Litigation*

At times, the City may be subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of business. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the City.

**12. Beginning Balances Restated**

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The City entered into a financing arrangement to purchase two fire trucks in 2022 and reported the down payment of \$850,00 as construction in progress in the government-wide statement of net position. The City failed to disclose the remainder of the purchase price, \$1,691,277, and related financing arrangement. As a result, assets and liabilities in the government-wide statement of net position were understated, expenditures in the statement of activities were understated, and net position in both the government-wide statement of net position and statement of activities was overstated. The City restated beginning balances as of January 1, 2023, tables summarizing these changes follows:

	<u>Statement of Net Position</u>		
	Ending balance	Restated beg. bal.	Change
	12/31/2022	1/1/2023	
Total assets	110,202,040	111,893,317	1,691,277
Total liabilities	12,671,543	14,396,258	1,724,715
Total net position	91,866,722	91,833,284	(33,438)

	<u>Statement of Activities</u>		
	Ending balance	Restated beg. bal.	Change
	12/31/2022	1/1/2023	
Total Revenues	24,687,923	24,687,923	-
Total Expenditures	19,117,286	19,150,724	33,438
Net position, ending	91,866,722	91,833,284	(33,438)

See footnote 7. Long-term debt, for additional information on the financing arrangement.

# City of Fort Morgan

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Required Supplementary Information

**City of Fort Morgan  
General Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balances—Budget and Actual  
For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 1,957,000	\$ 1,957,000	\$ 2,100,994	\$ 143,994
Specific ownership taxes	175,100	175,100	187,155	12,055
Sales taxes	6,000,000	6,000,000	6,986,767	986,767
Use taxes	90,000	90,000	224,248	134,248
Franchise taxes	<u>85,400</u>	<u>85,400</u>	<u>79,893</u>	<u>(5,507)</u>
Total taxes	<u>8,307,500</u>	<u>8,307,500</u>	<u>9,579,057</u>	<u>1,271,557</u>
Licenses and Permits				
Building permits	35,000	35,000	50,068	15,068
Liquor licenses	5,000	5,000	8,187	3,187
Other licenses and permits	<u>17,035</u>	<u>17,035</u>	<u>23,071</u>	<u>6,036</u>
Total licenses and permits	<u>57,035</u>	<u>57,035</u>	<u>81,326</u>	<u>24,291</u>
Intergovernmental				
Road and bridge	500,000	500,000	594,410	94,410
Motor vehicle fees	44,000	44,000	40,354	(3,646)
Severance and mineral taxes	35,000	35,000	292,557	257,557
Cigarette taxes	26,000	26,000	27,107	1,107
In lieu of taxes	3,952,000	3,952,000	4,025,634	73,634
Federal grants	5,000	5,000	3,568	(1,432)
State grants	5,000	5,000	92,815	87,815
Other intergovernmental revenues	<u>252,325</u>	<u>252,325</u>	<u>435,094</u>	<u>182,769</u>
Total intergovernmental	<u>4,819,325</u>	<u>4,819,325</u>	<u>5,511,539</u>	<u>692,214</u>
Charges for Services				
Recreation fees	840,250	840,250	1,039,319	199,069
Cemetery fees	103,000	103,000	111,675	8,675
Other charges for services	<u>25,500</u>	<u>25,500</u>	<u>68,488</u>	<u>42,988</u>
Total charges for services	<u>968,750</u>	<u>968,750</u>	<u>1,219,482</u>	<u>250,732</u>
Fines and forfeitures				
Traffic fines	50,000	50,000	49,196	(804)
Parking fines	6,500	6,500	4,599	(1,901)
Other fines and forfeitures	<u>91,000</u>	<u>91,000</u>	<u>78,002</u>	<u>(12,998)</u>
Total fines and forfeitures	<u>147,500</u>	<u>147,500</u>	<u>131,797</u>	<u>(15,703)</u>
Miscellaneous revenues				
Rents	12,000	12,000	12,801	801
Airport fees	13,000	13,000	17,934	4,934
Donations	10,000	10,000	35,070	25,070
Other revenues	<u>52,000</u>	<u>52,000</u>	<u>127,911</u>	<u>75,911</u>
Total miscellaneous revenues	<u>87,000</u>	<u>87,000</u>	<u>193,716</u>	<u>106,716</u>
Earnings on investments	<u>100,005</u>	<u>100,005</u>	<u>809,186</u>	<u>709,181</u>
<b>TOTAL REVENUES</b>	<u>14,487,115</u>	<u>14,487,115</u>	<u>17,526,103</u>	<u>3,038,988</u>

**City of Fort Morgan  
General Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balances—Budget and Actual  
For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>EXPENDITURES</b>				
General Government				
Mayor and council	73,661	62,767	62,767	-
City manager	178,019	193,265	193,265	-
Finance	149,472	134,884	134,884	-
City clerk	81,987	85,606	85,606	-
City attorney	70,445	57,403	57,403	-
Human resources	175,429	181,595	181,595	-
Other general government	599,775	618,551	618,551	-
Total general government	<u>1,328,788</u>	<u>1,334,071</u>	<u>1,334,071</u>	<u>-</u>
Public Safety				
Police	5,043,586	5,135,233	5,135,233	-
Fire	1,002,182	1,044,424	1,044,424	-
Building inspections	618,917	419,186	419,186	-
Municipal court	217,029	184,842	184,842	-
Total public safety	<u>6,881,714</u>	<u>6,783,685</u>	<u>6,783,685</u>	<u>-</u>
Community development and public works				
Airport	121,599	97,343	97,343	-
Economic Dev. & Marketing	70,241	73,670	73,670	-
Streets	2,022,595	1,764,352	1,764,352	-
Total community development and public works	<u>2,214,435</u>	<u>1,935,365</u>	<u>1,935,365</u>	<u>-</u>
Parks and recreation				
Recreation/senior center	1,367,641	1,323,500	1,323,500	-
Parks/cemetery	2,048,100	1,911,962	1,911,962	-
Library/museum	796,705	798,308	798,308	-
Community services	171,700	190,485	190,485	-
Golf	1,379,939	1,469,510	1,469,510	-
Total parks and recreation	<u>5,764,085</u>	<u>5,693,765</u>	<u>5,693,765</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>16,189,022</u>	<u>15,746,886</u>	<u>15,746,886</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,701,907)</u>	<u>(1,259,771)</u>	<u>1,779,217</u>	<u>3,038,988</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	43,037	43,037
Sale of assets	-	-	18,326	18,326
Transfers out	(1,319,164)	(7,293,560)	(7,293,560)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,319,164)</u>	<u>(7,293,560)</u>	<u>(7,232,197)</u>	<u>61,363</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (3,021,071)</u>	<u>\$ (8,553,331)</u>	<u>(5,452,980)</u>	<u>\$ 3,100,351</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>			<u>31,292,374</u>	
<b>FUND BALANCES, END OF YEAR</b>			<u>\$25,839,394</u>	

**City of Fort Morgan  
Capital Improvement Fund  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance—Budget and Actual  
For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Taxes				
Sales taxes	\$ 2,775,000	\$ 2,775,000	\$ 3,441,243	\$ 666,243
Use taxes	52,250	52,250	106,919	54,669
Street sales taxes	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,583,789</u>	<u>583,789</u>
Total taxes	<u>5,827,250</u>	<u>5,827,250</u>	<u>7,131,951</u>	<u>1,304,701</u>
Intergovernmental				
Highway users taxes	<u>400,000</u>	<u>400,000</u>	<u>370,028</u>	<u>(29,972)</u>
Total intergovernmental	<u>400,000</u>	<u>400,000</u>	<u>370,028</u>	<u>(29,972)</u>
Miscellaneous revenues	5,000	5,000	10,000	5,000
Earnings on investments	<u>25,000</u>	<u>25,000</u>	<u>123,117</u>	<u>98,117</u>
Total miscellaneous revenues	<u>30,000</u>	<u>30,000</u>	<u>133,117</u>	<u>103,117</u>
<b>TOTAL REVENUES</b>	<u>6,257,250</u>	<u>6,257,250</u>	<u>7,635,096</u>	<u>1,377,846</u>
<b>EXPENDITURES</b>				
Current:				
Debt service	983,000	1,013,435	1,013,435	-
Capital outlay	<u>11,011,000</u>	<u>14,756,232</u>	<u>14,756,232</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>11,994,000</u>	<u>15,769,667</u>	<u>15,769,667</u>	<u>-</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>\$ (5,736,750)</u>	<u>\$ (9,512,417)</u>	<u>\$ (8,134,571)</u>	<u>\$ 1,377,846</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>-</u>	<u>7,200,000</u>	<u>7,200,000</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>7,200,000</u>	<u>7,200,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (5,736,750)</u>	<u>\$ (2,312,417)</u>	(934,571)	<u>\$ 1,377,846</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>966,021</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 31,450</u>	

City of Fort Morgan  
 Retirement Plan Supplementary Information  
 For the Year Ended December 31, 2023

Schedule of Proportionate Share of the Net Pension

Colorado PERA - Pension

Year Ending*	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Net Pension Liability (Asset) as a Percentage of Member Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
12/31/2014	1.0487%	\$ 8,630,139	\$ 5,592,808	154.31%	77.66%
12/31/2015	1.0248%	\$ 9,185,308	\$ 5,614,826	163.59%	80.72%
12/31/2016	1.0308%	\$ 11,355,343	\$ 5,608,494	202.47%	76.90%
12/31/2017	1.0630%	\$ 14,353,748	\$ 6,463,667	222.07%	73.65%
12/31/2018	1.0302%	\$ 11,470,591	\$ 6,494,440	176.62%	79.40%
12/31/2019	1.0414%	\$ 13,092,645	\$ 7,075,603	185.04%	75.96%
12/31/2020	1.1000%	\$ 7,384,762	\$ 6,689,330	110.40%	86.26%
12/31/2021	0.9877%	\$ 5,147,273	\$ 6,934,657	74.23%	90.88%
12/31/2022	1.0202%	\$ (874,649)	\$ 7,561,136	-11.57%	101.49%
12/31/2023	0.9485%	\$ 9,509,148	\$ 8,859,020	107.34%	82.99%

\*The data provided in this schedule is based as of the measurement date of the Authority's net pension liability, which is as of the beginning of the year

Schedule of Employer Contributions

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
12/31/2014	711,960	711,960	-	5,614,826	12.68%
12/31/2015	711,157	711,157	-	5,608,494	12.68%
12/31/2016	819,593	819,593	-	6,463,667	12.68%
12/31/2017	823,495	823,495	-	6,494,440	12.68%
12/31/2018	897,187	897,187	-	7,075,603	12.68%
12/31/2019	848,207	848,207	-	6,689,330	12.68%
12/31/2020	902,827	902,827	-	6,934,657	13.02%
12/31/2021	1,004,479	1,004,479	-	7,561,136	13.28%
12/31/2022	981,540	981,540	-	8,058,627	12.18%
12/31/2023	1,225,358	1,225,358	-	8,859,020	13.83%

City of Fort Morgan  
 Retirement Plan Supplementary Information  
 For the Year Ended December 31, 2023

Schedule of Proportionate Share of the OPEB Liability and Related Ratios

<u>Colorado PERA - OPEB</u>	<u>Schedule of Proportionate Share of the OPEB Liability and Related Ratios</u>				
Year Ending*	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	OPEB Liability as a Percentage of Member Payroll	Fiduciary Net Position as a Percentage of Total OPEB Liability
12/31/2017	0.0815%	\$ 1,058,784	\$ 6,463,667	16.38%	16.72%
12/31/2018	0.0800%	\$ 1,040,248	\$ 6,494,440	16.02%	17.53%
12/31/2019	0.8080%	\$ 1,098,715	\$ 7,075,603	15.53%	17.03%
12/31/2020	0.0773%	\$ 869,314	\$ 6,689,330	13.00%	24.49%
12/31/2021	0.0754%	\$ 716,113	\$ 6,934,657	10.33%	32.78%
12/31/2022	0.0793%	\$ 683,817	\$ 7,561,136	9.04%	39.40%
12/31/2023	0.0764%	\$ 623,828	\$ 8,559,020	7.29%	38.57%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

\*The data provided in this schedule is based as of the measurement date of the Authority's net pension liability, which is as of the beginning of the year.

Schedule of Employer Contributions

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/(Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
12/31/2014	57,271	57,271	-	5,614,826	1.02%
12/31/2015	57,207	57,207	-	5,608,494	1.02%
12/31/2016	65,929	65,929	-	6,463,667	1.02%
12/31/2017	66,243	66,243	-	6,494,440	1.02%
12/31/2018	72,171	72,171	-	7,075,603	1.02%
12/31/2019	68,231	68,231	-	6,689,330	1.02%
12/31/2020	69,870	69,870	-	6,934,657	1.01%
12/31/2021	77,124	77,124	-	7,561,136	1.02%
12/31/2022	82,198	82,198	-	8,058,627	1.02%
12/31/2023	90,362	90,362	-	8,859,020	1.02%

City of Fort Morgan  
 Required Supplementary Information  
 Firefighter Pension Fund  
 Schedule of Changes in Net Pension Liability and Related Ratios  
 Last 10 Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement period ended December 31,									
<b>Total pension liability</b>									
Service cost	\$ 7,266	\$ 7,266	\$ 6,399	\$ 6,399	\$ 7,129	\$ 7,129	\$ 6,762	\$ 6,762	\$ 8,248
Interest	187,135	187,441	191,672	191,675	181,602	182,349	172,780	173,568	172,901
Changes of benefit terms	153,692	-	-	-	148,361	-	-	-	-
Difference between expected and actual expenditures	31,096	-	(66,549)	-	57,999	-	74,419	-	15,981
Assumption changes	30,723	-	-	-	124,629	-	66,544	-	-
Benefit payments	(211,110)	(187,428)	(197,190)	(199,026)	(205,650)	(193,437)	(192,785)	(188,933)	(186,150)
<b>Net change in total pension liability</b>	198,802	7,279	(65,668)	(952)	314,070	(3,959)	127,720	(8,603)	10,980
<b>Total pension liability - Beginning</b>	2,773,560	2,766,281	2,831,949	2,832,901	2,518,831	2,522,790	2,395,070	2,403,673	2,392,693
<b>Total pension liability - Ending (a)</b>	2,972,362	2,773,560	2,766,281	2,831,949	2,832,901	2,518,831	2,522,790	2,395,070	2,403,673
<b>Plan fiduciary net position</b>									
Employer contributions	197,554	238,790	-	72,481	88,404	91,820	76,585	150,177	-
Net investment income	(126,456)	197,764	140,593	157,913	1,530	157,663	56,550	21,490	74,859
Benefit payments	(211,110)	(187,428)	(197,190)	(199,026)	(205,650)	(193,437)	(192,785)	(188,933)	(186,150)
Administrative expense	(15,367)	(15,456)	(12,549)	(15,555)	(15,272)	(16,206)	(1,983)	(4,331)	(2,096)
State of Colorado supplemental discretionary payment	76,592	138,813	61,863	-	61,863	58,447	58,447	51,759	52,299
<b>Net change in plan fiduciary net position</b>	(78,787)	372,483	(7,283)	15,813	(69,125)	98,287	(3,186)	30,162	(61,088)
<b>Plan fiduciary net position - beginning</b>	1,568,675	1,196,192	1,203,475	1,187,662	1,256,787	1,158,500	1,161,686	1,131,524	1,192,612
<b>Plan fiduciary net position - end (b)</b>	1,489,888	1,568,675	1,196,192	1,203,475	1,187,662	1,256,787	1,158,500	1,161,686	1,131,524
<b>District's net pension liability - ending (a)-(b)</b>	1,482,474	1,204,885	1,570,089	1,628,474	1,645,239	1,262,044	1,364,290	1,233,384	1,272,149
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	50.12%	56.56%	43.24%	42.50%	41.92%	49.90%	45.92%	48.50%	47.07%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.  
 Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension liability.

**City of Fort Morgan**  
**Required Supplementary Information**  
**Old Hire Pension Fund**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last 10 Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement period ended December 31,									
<b>Total pension liability</b>									
Service cost	\$ 57,931	\$ 53,677	\$ 56,807	\$ 89,485	\$ 93,991	\$ 88,821	\$ 93,409	\$ 85,215	\$ 87,774
Interest	110,184	-	74,332	-	51,210	24,541	25,867	20,635	26,685
Changes of benefit terms	-	62,690	-	(195,554)	-	63,611	-	61,360	-
Difference between expected and actual expenditures	-	-	-	236,444	-	-	-	67,767	-
Assumption changes	(132,132)	(131,911)	(120,919)	(148,641)	(159,315)	(159,194)	(150,126)	(153,012)	(144,297)
Benefit payments	35,983	(15,544)	10,220	(18,266)	(14,114)	17,779	(30,850)	81,965	(29,838)
<b>Net change in total pension liability</b>									
<b>Total pension liability - Beginning</b>	1,242,518	1,258,062	1,247,842	1,266,108	1,280,222	1,262,443	1,293,293	1,211,328	1,241,166
<b>Total pension liability - Ending (a)</b>	1,278,501	1,242,518	1,258,062	1,247,842	1,266,108	1,280,222	1,262,443	1,293,293	1,211,328
<b>Plan fiduciary net position</b>									
Employer contributions	141,059	188,078	113,746	113,746	102,792	99,660	88,699	88,680	81,155
Employee contributions	-	-	-	-	-	-	-	-	-
Net investment income	(56,323)	2,515	26,933	39,889	791	56,184	22,220	9,099	35,113
Benefit payments	(132,132)	(131,911)	(120,919)	(148,641)	(159,315)	(159,194)	(150,126)	(153,012)	(144,297)
Administrative expense	(4,374)	(1,445)	(4,023)	(1,585)	(4,701)	(1,715)	(3,848)	(1,054)	(5,135)
<b>Net change in plan fiduciary net position</b>	(51,770)	57,237	15,737	3,409	(60,433)	(5,065)	(43,055)	(56,287)	(33,164)
<b>Plan fiduciary net position - beginning</b>	425,861	368,624	352,887	349,478	409,911	414,976	458,031	514,318	547,482
<b>Plan fiduciary net position - end (b)</b>	374,091	425,861	368,624	352,887	349,478	409,911	414,976	458,031	514,318
<b>District's net pension liability - ending (a)-(b)</b>	904,410	816,657	889,438	894,955	916,630	870,311	847,467	835,262	697,010
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	29.26%	34.27%	29.30%	28.28%	27.60%	32.02%	32.87%	35.42%	42.46%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.  
Note 2: The data provided in this schedule is based as of the measurement date of the District's net pension liability.

**City of Fort Morgan**  
**Required Supplementary Information**  
**Volunteer Firefighters' Pension Plan**  
**Schedules of Employer Contributions**  
**As of Measurement Period Ended December 31, 2022**

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2014	\$ 125,891	\$ 52,299	\$ (73,592)	N/A	N/A
12/31/2015	\$ 125,891	\$ 201,936	\$ 76,045	N/A	N/A
12/31/2016	\$ 128,344	\$ 135,032	\$ 6,688	N/A	N/A
12/31/2017	\$ 128,344	\$ 150,267	\$ 21,923	N/A	N/A
12/31/2018	\$ 150,267	\$ 150,267	-	N/A	N/A
12/31/2019	\$ 134,344	\$ 72,481	\$ (61,863)	N/A	N/A
12/31/2020	\$ 167,554	\$ 72,481	\$ (95,073)	N/A	N/A
12/31/2021	\$ 209,691	\$ 313,148	\$ 103,457	N/A	N/A
12/31/2022	\$ 167,554	\$ 274,146	\$ 106,592	N/A	N/A
12/31/2023	\$ 181,659	\$ 281,235	\$ 99,576	N/A	N/A

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

**City of Fort Morgan**  
**Required Supplementary Information**  
**Old Hire Pension Plan**  
**Schedules of Employer Contributions**  
**As of Measurement Period Ended December 31, 2022**

<u>Measurement Period Ended*</u>	<u>Actuarially Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Excess/(Deficiency)</u>	<u>Actual Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
12/31/2014	\$ 81,155	\$ 81,155	\$ 1,162	N/A	N/A
12/31/2015	\$ 88,699	\$ 88,680	\$ -	N/A	N/A
12/31/2016	\$ 88,699	\$ 88,699	\$ (19)	N/A	N/A
12/31/2017	\$ 99,655	\$ 99,660	\$ -	N/A	N/A
12/31/2018	\$ 102,788	\$ 102,794	\$ 5	N/A	N/A
12/31/2019	\$ 106,878	\$ 108,761	\$ 6	N/A	N/A
12/31/2020	\$ 113,746	\$ 113,726	\$ 1,883	N/A	N/A
12/31/2021	\$ 113,746	\$ 188,078	\$ (20)	N/A	N/A
12/31/2022	\$ 113,746	\$ 141,059	\$ 74,332	N/A	N/A
12/31/2023	\$ 113,746	\$ 141,059	\$ 27,313	N/A	N/A

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

# City of Fort Morgan

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Other Supplementary Information

**City of Fort Morgan  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2023**

	<b>CONSERVATION TRUST FUND</b>	<b>POLICE FORFEITURE FUND</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>ASSETS</b>			
Cash, cash equivalents and Investments	\$ 556,912	\$ -	\$ 556,912
Grants receivable	147,548	-	147,548
<b>TOTAL ASSETS</b>	<b><u>\$ 704,460</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 704,460</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 77,620	\$ -	\$ 77,620
<b>TOTAL LIABILITIES</b>	<b><u>77,620</u></b>	<b><u>-</u></b>	<b><u>77,620</u></b>
<b>FUND BALANCES</b>			
Restricted for:			
Parks and recreation	626,840	-	626,840
<b>TOTAL FUND BALANCES</b>	<b><u>626,840</u></b>	<b><u>-</u></b>	<b><u>626,840</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 704,460</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 704,460</u></b>

**City of Fort Morgan  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures  
And Changes in Fund Balance  
For the Year Ended December 31, 2023**

	<b>CONSERVATION TRUST FUND</b>	<b>POLICE FORFEITURE FUND</b>	<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
<b>REVENUES</b>			
State grants	\$ 147,548	\$ -	\$ 147,548
Intergovernmental	160,788	-	160,788
<b>TOTAL REVENUES</b>	<u>455,884</u>	<u>-</u>	<u>455,884</u>
<b>EXPENDITURES</b>			
Current:			
Capital Outlay	177,548	-	177,548
<b>TOTAL EXPENDITURES</b>	<u>177,548</u>	<u>-</u>	<u>177,548</u>
<b>Excess of revenues over expenditures</b>	<u>278,336</u>	<u>-</u>	<u>278,336</u>
<b>OTHER FINANCING (USES)</b>			
Transfers out	-	(43,037)	(43,037)
<b>TOTAL OTHER FINANCING (USES)</b>	<u>-</u>	<u>(43,037)</u>	<u>(43,037)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>278,336</u>	<u>(43,037)</u>	<u>235,299</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>496,052</u>	<u>43,037</u>	<u>539,089</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 774,388</u>	<u>\$ -</u>	<u>\$ 774,388</u>

**City of Fort Morgan**  
**Conservation Trust Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>			
State grants	\$ 400,000	\$ 147,548	\$ (252,452)
Other governmental revenues	<u>120,000</u>	<u>160,788</u>	<u>40,788</u>
<b>TOTAL REVENUES</b>	<u>520,000</u>	<u>308,336</u>	<u>(211,664)</u>
 <b>EXPENDITURES</b>			
Capital outlay	<u>1,150,000</u>	<u>177,548</u>	<u>972,452</u>
<b>TOTAL EXPENDITURES</b>	<u>1,150,000</u>	<u>177,548</u>	<u>972,452</u>
 <b>NET CHANGE IN FUND BALANCE</b>	 <u>\$ (630,000)</u>	 130,788	 <u>\$ 760,788</u>
 <b>FUND BALANCE, BEGINNING OF YEAR</b>		 <u>496,052</u>	
 <b>FUND BALANCE, END OF YEAR</b>		 <u>\$ 626,840</u>	

**City of Fort Morgan**  
**Police Forfeiture Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Public Safety	-	-	-	\$ -
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING USES</b>				
Transfer out	-	(43,037)	(43,037)	-
<b>TOTAL OTHER FINANCING USES</b>	<u>-</u>	<u>(43,037)</u>	<u>(43,037)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (43,037)</u>	<u>(43,037)</u>	<u>\$ -</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>			<u>43,037</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ -</u>	

**City of Fort Morgan**  
**Electric Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Charges for services	\$ 17,579,924	\$ 17,579,924	\$ 21,980,045	\$ 4,400,121
<b>EXPENDITURES</b>				
Transmission, distribution and collection	4,037,618	3,891,255	3,891,255	-
Commodities	13,500,000	15,470,809	15,470,809	-
General administration	472,563	419,778	419,778	-
In lieu of fees	2,800,000	3,055,863	3,055,863	-
Capital outlay	2,560,000	1,446,221	1,446,221	-
<b>TOTAL EXPENDITURES</b>	<b>23,370,181</b>	<b>24,283,926</b>	<b>24,283,926</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER EXPENDITURES</b>	<b>(5,790,257)</b>	<b>(6,704,002)</b>	<b>(2,303,881)</b>	<b>4,400,121</b>
<b>OTHER REVENUES</b>				
Earnings on investments	152,000	152,000	573,028	421,028
Rents	28,000	28,000	43,356	15,356
Other revenues	248,880	248,880	481,825	232,945
<b>TOTAL OTHER REVENUES</b>	<b>428,880</b>	<b>428,880</b>	<b>1,098,209</b>	<b>669,329</b>
<b>CHANGE IN FUND BALANCE, BUDGETARY BASIS</b>	<b>\$ (5,361,377)</b>	<b>\$ (6,275,122)</b>	<b>\$ (1,205,672)</b>	<b>\$ 5,069,450</b>
<b>ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS</b>				
Capital outlay			1,446,221	
Depreciation			(879,669)	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			<b>(639,120)</b>	
<b>NET POSITION, BEGINNING OF YEAR</b>			<b>18,828,759</b>	
<b>NET POSITION, END OF YEAR</b>			<b>\$ 18,189,639</b>	

**City of Fort Morgan**  
**Water Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Charges for services	\$ 10,571,123	\$ 10,571,123	\$ 10,191,892	\$ (379,231)
<b>EXPENDITURES</b>				
Transmission, distribution and collection	1,432,523	2,066,991	2,066,991	-
Treatment	3,694,096	5,839,980	5,839,980	-
General administration	604,045	584,449	584,449	-
Debt service				
Interest	308,617	244,801	244,801	-
Capital outlay	3,396,778	1,495,049	1,495,049	-
<b>TOTAL EXPENDITURES</b>	<u>9,436,059</u>	<u>10,231,270</u>	<u>10,231,270</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER EXPENDITURES</b>	<u>1,135,064</u>	<u>339,853</u>	<u>(39,378)</u>	<u>(379,231)</u>
<b>OTHER REVENUES</b>				
Earnings on investments	58,750	58,750	286,014	227,264
Other revenues	606,000	606,000	405,940	(200,060)
<b>TOTAL OTHER REVENUES</b>	<u>664,750</u>	<u>664,750</u>	<u>691,954</u>	<u>27,204</u>
<b>CHANGE IN NET POSITION BEFORE CONTRIBUTIONS</b>	1,799,814	1,004,603	652,576	(352,027)
Capital Contributions	400,000	400,000	443,343	43,343
<b>CHANGE IN FUND BALANCE, BUDGETARY BASIS</b>	<u>\$ 2,199,814</u>	<u>\$ 1,404,603</u>	1,095,919	<u>\$ (308,684)</u>
<b>ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS</b>				
Capital outlay			1,495,049	
Depreciation			<u>(1,454,269)</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			1,136,699	
<b>NET POSITION, BEGINNING OF YEAR</b>			<u>51,531,696</u>	
<b>NET POSITION, END OF YEAR</b>			<u>\$ 52,668,395</u>	

**City of Fort Morgan**  
**Gas Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended December 31, 2023**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Charges for services	\$ 5,825,000	\$ 5,928,860	\$ 103,860
<b>EXPENDITURES</b>			
Transmission, distribution and collection	1,218,234	1,116,805	101,429
Commodities	4,200,000	3,345,262	854,738
General administration	564,588	541,795	22,793
In lieu of fees	<u>700,000</u>	<u>772,284</u>	<u>(72,284)</u>
<b>TOTAL EXPENDITURES</b>	6,682,822	5,776,146	906,676
<b>EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER EXPENDITURES</b>	<u>(857,822)</u>	<u>152,714</u>	<u>1,010,536</u>
<b>OTHER REVENUES</b>			
Earnings on investments	40,000	199,757	159,757
Other revenues	<u>26,000</u>	<u>63,694</u>	<u>37,694</u>
<b>TOTAL OTHER REVENUES</b>	<u>66,000</u>	<u>263,451</u>	<u>197,451</u>
<b>CHANGE IN FUND BALANCE, BUDGETARY BASIS</b>	\$ (791,822)	\$ 416,165	\$ 1,207,987
<b>ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS</b>			
Depreciation		<u>(117,688)</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>		298,477	
<b>NET POSITION, BEGINNING OF YEAR</b>		<u>8,491,465</u>	
<b>NET POSITION, END OF YEAR</b>		<u>\$ 8,789,942</u>	

**City of Fort Morgan**  
**Waste Water Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance—Budget and Actual (Non-GAAP Basis)**  
**For the Year Ended December 31, 2023**

	<u>BUDGET</u>	<u>ACTUAL</u>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>			
Charges for services	\$ 2,821,644	\$ 2,829,279	\$ 7,635
<b>EXPENDITURES</b>			
Transmission, distribution and collection	551,031	885,273	(334,242)
Treatment	1,041,261	1,156,634	(115,373)
Administrative support allocation	446,636	428,646	17,990
In lieu of fees	95,000	133,871	(38,871)
Capital outlay	<u>1,148,364</u>	<u>299,475</u>	<u>848,889</u>
<b>TOTAL EXPENDITURES</b>	<u>3,282,292</u>	<u>2,903,899</u>	<u>378,393</u>
<b>DEFICIENCY OF OPERATING REVENUES UNDER EXPENDITURES</b>	<u>(460,648)</u>	<u>(74,620)</u>	<u>386,028</u>
<b>OTHER REVENUES (Expenditures)</b>			
Earnings on investments	32,000	204,801	172,801
Other revenues	<u>1,520,611</u>	<u>171,938</u>	<u>(1,348,673)</u>
<b>TOTAL OTHER REVENUES</b>	<u>1,552,611</u>	<u>376,739</u>	<u>(1,175,872)</u>
<b>CHANGE IN NET POSITION BEFORE CONTRIBUTIONS</b>	1,091,963	302,119	(789,844)
Capital contributions			
Plant investment fees	<u>50,000</u>	<u>49,312</u>	<u>(688)</u>
<b>CHANGE IN FUND BALANCE, BUDGETARY BASIS</b>	<u>\$ 1,141,963</u>	<u>\$ 351,431</u>	<u>\$ (790,532)</u>
<b>ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS</b>			
Capital outlay		299,475	
Depreciation		<u>(722,039)</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>		(71,133)	
<b>NET POSITION, BEGINNING OF YEAR</b>		<u>15,513,481</u>	
<b>NET POSITION, END OF YEAR</b>		<u>\$ 15,442,348</u>	

**City of Fort Morgan  
Sanitation Fund  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance—Budget and Actual (Non-GAAP Basis)  
For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Charges for services	\$ 1,200,000	\$ 1,200,000	\$ 1,272,542	\$ 72,542
<b>EXPENDITURES</b>				
Transmission, distribution and collection	886,420	1,167,268	1,167,268	-
In lieu of fees	62,000	63,616	63,616	-
Administrative support allocation	250,350	226,266	226,266	-
Capital outlay	175,000	344,251	344,251	-
<b>TOTAL EXPENDITURES</b>	<u>1,373,770</u>	<u>1,801,401</u>	<u>1,801,401</u>	<u>-</u>
<b>DEFICIENCY OF OPERATING REVENUES UNDER EXPENIDITURES</b>	<u>(173,770)</u>	<u>(601,401)</u>	<u>(528,859)</u>	<u>72,542</u>
<b>OTHER REVENUES</b>				
Earnings on investments	10,000	10,000	77,092	67,092
Other income	-	-	4,350	4,350
<b>TOTAL OTHER REVENUES</b>	<u>10,000</u>	<u>10,000</u>	<u>81,442</u>	<u>71,442</u>
<b>CHANGE IN FUND BALANCE, BUDGETARY BASIS</b>	<u>\$ (163,770)</u>	<u>\$ (591,401)</u>	<u>\$ (447,417)</u>	<u>\$ 143,984</u>
<b>ADJUSTMENTS FROM BUDGETARY BASIS TO GAAP BASIS</b>				
Capital outlay			344,251	
Depreciation			<u>(144,982)</u>	
<b>CHANGE IN NET POSITION - GAAP BASIS</b>			(248,148)	
<b>NET POSITION, BEGINNING OF YEAR</b>			<u>2,363,378</u>	
<b>NET POSITION, END OF YEAR</b>			<u>\$ 2,115,230</u>	

**City of Fort Morgan  
Self Insurance Fund  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance—Budget and Actual  
For the Year Ended December 31, 2023**

	<u>BUDGET</u>	<u>ACTUAL</u>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>			
Charges for Services	\$ 5,099,994	\$ 5,489,345	\$ 389,351
<b>TOTAL REVENUES</b>	<u>5,099,994</u>	<u>5,489,345</u>	<u>389,351</u>
<b>EXPENDITURES</b>			
Self insurance premiums	770,725	686,101	84,624
Self insurance claims	4,514,584	3,961,685	552,899
Administrative costs	125,500	136,280	(10,780)
<b>TOTAL EXPENDITURES</b>	<u>5,410,809</u>	<u>4,784,066</u>	<u>626,743</u>
<b>EXCESS (DEFICIENCY) OF OPERATING REVENUES OVER EXPENIDITURES</b>	<u>(310,815)</u>	<u>705,279</u>	<u>1,016,094</u>
<b>OTHER FINANCING SOURCES</b>			
Earnings on investments	5,000	18,002	13,002
Miscellaneous revenues	55,000	361,008	306,008
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>60,000</u>	<u>379,010</u>	<u>319,010</u>
<b>CHANGE IN FUND BALANCE, BUDGETARY BASIS</b>	<u>\$ (250,815)</u>	<u>\$ 1,084,289</u>	<u>\$ 1,335,104</u>
<b>NET POSITION, BEGINNING OF YEAR</b>		<u>7,094,169</u>	
<b>NET POSITION, END OF YEAR</b>		<u>\$ 8,178,458</u>	

**City of Fort Morgan**  
**Cemetery Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fiduciary Net Position—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>ADDITIONS</b>			
Charges for services	\$ 12,000	\$ 12,420	\$ 420
Earnings on investments	2,300	7,112	4,812
Transfers In	<u>5,000</u>	<u>2,530</u>	<u>(2,470)</u>
<b>TOTAL ADDITIONS</b>	<u>19,300</u>	<u>22,062</u>	<u>2,762</u>
<b>DEDUCTIONS</b>			
Transfers out	<u>8,000</u>	<u>2,530</u>	<u>5,470</u>
<b>TOTAL DEDUCTIONS</b>	<u>8,000</u>	<u>2,530</u>	<u>5,470</u>
<b>CHANGE IN FIDUCIARY NET POSITION- BUDGETARY BASIS</b>	<u>\$ 11,300</u>	19,532	<u>\$ 8,232</u>
<b>FIDUCIARY NET POSITION, BEGINNING OF YEAR</b>		<u>779,557</u>	
<b>FIDUCIARY NET POSITION, END OF YEAR</b>		<u>\$ 799,089</u>	

**City of Fort Morgan**  
**Riverview Commons GID Fund**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fiduciary Net Position—Budget and Actual**  
**For the Year Ended December 31, 2023**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>ADDITIONS</b>				
Assessments	\$ -	\$ -	\$ -	\$ -
<b>TOTAL ADDITIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEDUCTIONS</b>				
Community development and public works	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
<b>TOTAL DEDUCTIONS</b>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>-</u>	<u>93,560</u>	<u>93,560</u>	<u>-</u>
<b>TOTAL OTHER FINANCING     SOURCES</b>	<u>-</u>	<u>93,560</u>	<u>93,560</u>	<u>-</u>
<b>CHANGE IN FIDUCIARY NET POSITION- BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$63,560</u>	<u>93,560</u>	<u>\$ 30,000</u>
<b>FIDUCIARY NET POSITION, BEGINNING OF YEAR</b>			<u>(93,560)</u>	
<b>FIDUCIARY NET POSITION, END OF YEAR</b>			<u>\$ -</u>	

# City of Fort Morgan

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Supplemental Section

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/23

This Information From The Records Of: CLEAR CREEK COUNTY, COLORADO	Prepared By: KASIE EDSON, CITY TREASURER
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**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway expenditures:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 10,139,997.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 477,951.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	\$ 11,186,266.00	b. Snow and ice removal	\$ 109,041.00
3. Other local imposts (from page 2)	\$ 4,365,354.00	c. Other	\$ 6,036.00
4. Miscellaneous local receipts (from page 2)	\$ 61,465.00	d. Total (a. through c.)	\$ 115,077.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 1,171,324.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 4,438,783.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 16,343,132.00
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 15,613,085.00	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	\$ -
<b>C. Receipts from State government</b>		2. Notes:	
(from page 2)	\$ 730,047.00	a. Interest	
<b>D. Receipts from Federal Government</b>		b. Redemption	
(from page 2)	\$ -	c. Total (a. + b.)	\$ -
<b>E. Total receipts (A.7 + B + C + D)</b>	\$ 16,343,132.00	3. Total (1.c + 2.c)	\$ -
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total expenditures (A.6 + B.3 + C + D)</b>	\$ 16,343,132.00

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ -	\$ 16,343,132.00	\$ 16,343,132.00	\$ -	\$ -

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
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 49,196.00
1. Sales Taxes	\$ 3,583,789.00	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	\$ 781,565.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 4,365,354.00	h. Other	\$ 12,269.00
c. Total (a. + b.)	\$ 4,365,354.00	i. Total (a. through h.)	\$ 61,465.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes (from Item I.C.5.)	\$ 370,028.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 40,355.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Cig Tax, Severance Tax)	\$ 319,664.00	f. Other Federal	
f. Total (a. through e.)	\$ 360,019.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 730,047.00	3. Total (1. + 2.g)	
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

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

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs		\$ 1,574.00	\$ 1,574.00
c. Construction:			
(1). New Facilities		\$ 1,140,861.00	\$ 1,140,861.00
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 8,997,562.00	\$ 8,997,562.00
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 10,138,423.00	\$ 10,138,423.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 10,139,997.00	\$ 10,139,997.00
<i>(Carry forward to page 1)</i>			

Notes and Comments: