

City of Holyoke, Colorado

Financial Statements

For the Year ended December 31, 2023

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Independent Auditors' Report

To the Honorable Mayor and Members of City Council
City of Holyoke
Holyoke, Colorado

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and historical pension information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of

inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
April 26, 2024

City of Holyoke, Colorado

Management's Discussion and Analysis

December 31, 2023

As management of the City of Holyoke (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 of the City exceeded its liabilities at the close of the 2023 fiscal year by \$24,172,138 (net position). Of this amount, \$14,738,917 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased in the 2023 fiscal year by \$1,286,066 which was due to an increase in the governmental activities of \$572,351 and an increase in the business-type activities of \$713,715.
- At December 31, 2023, the unassigned fund balance of the General Fund was \$3,118,469 or approximately 97% of the total fiscal year 2023 General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other required supplementary information and supplementary information in addition to the basic financial statements themselves.

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

The Statement of Net Position presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Overview of the Financial Statements (continued)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, public safety, streets, airport, culture, and recreation. The business-type activities of the City include electric distribution, water system, sewer system, and sanitation.

The government-wide financial statements can be found on pages 10 through 13 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The City's governmental funds include the General Fund and several Special Revenue Funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with their budget.

The basic governmental fund financial statements can be found on pages 14 through 17.

Proprietary Funds: The City maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric distribution operation, water system, sewer system, and sanitation service.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 18 through 21 of this report.

Overview of the Financial Statements (continued)

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 22 through 49 of this report.

Fire and Police Pension Funds: Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. This information can be found on pages 52 through 58.

Other Information: The City adopts annual appropriated budgets for all its funds in accordance with the Colorado State Statues. The budgetary comparison schedules have been provided for all its funds to demonstrate compliance with the budget law and are found on pages 59 through 85.

Government-wide Financial Analysis

Traditionally, the largest portion of any municipality's investments is in its capital assets. Land, building, equipment, machinery, and specialized tools are necessary in order to deliver and/or provide services to the City's residents and visitors. The City's capital assets account for approximately 37% of its total net position; these assets are not an available source for payment of future spending. Of the remaining \$15,146,163 in net position, \$91,000 or less than 1%, of the net position for governmental activities is restricted for use in the event of an emergency.

At the end of the 2023 fiscal year, the City is able to report positive balances in all categories of net position, first for the government as a whole, and then as separate governmental and business-type activities.

The City's net position increased \$1,286,066 during the current fiscal year. The increase is primarily due to the excess of revenues over expenditures of the business type activities of \$713,715 even after the transfer to the governmental fund of \$900,000.

Governmental Activities: Governmental activities after transfers left the City's net position at a positive \$572,351. Key elements of this increase are as follows:

- An increase in governmental fund's net position occurred after the transfer of \$900,000 from business-type activities.
- The governmental activities expenses consistently exceeded available revenues before transfers. The City has traditionally subsidized the governmental activities with its business-type activities.
- The City continues to provide funding of highways and streets, culture and recreation, and airport improvements to enhance these services for the citizens.

Governmental activities revenues decreased by \$246,504 from 2022 levels primarily due to the following changes:

- Sales taxes increased by \$99,694 due to an increase in taxable sales within the City's boundaries.
- Property taxes decreased \$8,718.
- Other taxes increased by \$35,185.
- Capital grants and contributions decreased by \$372,665. The major projects were completed.

Governmental activities expenses decreased by \$834,112 from 2022 levels primarily due to the following changes:

- Highways and streets expenses decreased by \$85,965. Started the Sherman Avenue storm sewer & paving project but had to stop for the winter.
- Culture and recreation increased by \$69,565.
- Capital Outlay decreased by \$817,712. Finished the airport improvements & new fire station.

Business-Type Activities: Business-type activities after transfers of \$900,000 increased the City's net position by \$713,715. Key elements of this increase are as follows:

- There was less of an increase in net position from 2022 to 2023 because a larger transfer was made to the general fund.

Business-type activities revenues decreased by \$4,865 from 2022 levels primarily due to the following:

- Charges for services decreased electric by \$5,140, increased refuse by \$241, water decreased by \$850, and sewer increased by \$884.

Business-type activities expenses decreased by \$108,173 from 2022 levels primarily due to the following changes:

- Operating costs of the electric utility decreased by \$286,707.
- Operating costs of the sanitary utility increased by \$33,443.
- Operating costs of the water and wastewater increased by \$31,029.
- Operating costs of the utility administration increased by \$114,062.

Budget Variances in the General Fund: The City was not required to amend the General Fund budget for the current fiscal year; the General Fund expenditures did not exceed the fund budget.

The General Fund Budget and Actual Schedules can be found on page 59.

Significant Variances in the General Fund

Capital Assets: The City's capital assets increased government-wide by \$148,736. The 2023 depreciation expense was \$514,602. Additional information, as well as a detailed classification of the City's net position can be found in the Notes to the Financial Statements on pages 33-35 of this report.

Long-term Liabilities: As of the end of the current fiscal year, the City's long-term liabilities increased by \$1,052. Additional information as well as a detailed classification of the City's total long-term liabilities can be found in the Notes to the Financial Statements on page 35.

Next Year's Budget and Rates: The City's General Fund balance at the end of the fiscal year 2023 totaled \$3,209,469 an increase of \$359,211. The rates for the utility services (business-type activities) were increased as follows: electric 4%, water useage 25%, sewer 10%, and refuse 10%. The City's 2024 budget anticipates transfers from the Utility Fund to help offset the operating costs of the City's General Fund.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Holyoke, City Clerk/Treasurer, 407 E. Denver St., Holyoke, Colorado 80734.

Basic Financial Statements

The basic financial statements of the City include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

CITY OF HOLYOKE, COLORADO
Statement of Net Position
December 31, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 3,219,133	\$ 2,394,779	\$ 5,613,912
Cash with fiscal agent	8,183		8,183
Certificates of deposit	596,153	8,214,263	8,810,416
Receivables	622,977	525,616	1,148,593
Internal balances	45,741	(45,741)	-
Inventory		555,028	555,028
Prepaid items		104,475	104,475
Net pension asset	141,504		141,504
Land and construction in progress	142,222	151,000	293,222
Capital assets, net of depreciation	7,422,214	1,310,539	8,732,753
Total assets	12,198,127	13,209,959	25,408,086
Deferred outflows of resources			
Pension deferrals	114,370		114,370
Total assets and deferred outflows of resources	\$ 12,312,497	\$ 13,209,959	\$ 25,522,456
Liabilities			
Accounts payable	\$ 65,213	\$ 140,970	\$ 206,183
Unearned revenues	7,788	554,980	562,768
Customer deposits		32,900	32,900
Noncurrent liabilities			
Due in more than one year	59,965	57,721	117,686
Net pension liability	10,472		10,472
Total liabilities	143,438	786,571	930,009
Deferred inflows of resources			
Deferred property tax revenues	395,171		395,171
Pension deferrals	25,138		25,138
Total deferred inflows of resources	420,309	-	420,309
Net position			
Net investment in capital assets	7,564,436	1,461,539	9,025,975
Restricted for emergencies	91,000		91,000
Restricted for culture and recreation	174,632		174,632
Restricted for public safety	110		110
Restricted for pensions	141,504		141,504
Unrestricted	3,777,068	10,961,849	14,738,917
Total net position	11,748,750	12,423,388	24,172,138
Total liabilities, deferred inflows of resources and net position	\$ 12,312,497	\$ 13,209,959	\$ 25,522,456

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

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CITY OF HOLYOKE, COLORADO
Statement of Activities
For the Year Ended December 31, 2023

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 322,638	\$ 34,788		
Public safety	542,257	1,432	\$ 34,501	
Public works	1,034,886	208,663	187,708	\$ 65,803
Health and welfare	79,730	27,200		66,320
Culture and recreation	760,256	40,071	68,171	
Total governmental activities	2,739,767	312,154	290,380	132,123
Business-type activities				
Electric	1,448,836	2,857,824		
Water	253,496	472,562		
Sewer	169,815	329,405		
Refuse	301,102	340,817		
Administration	653,699			
Total business-type activities	2,826,948	4,000,608	-	-
Total	\$ 5,566,715	\$ 4,312,762	\$ 290,380	\$ 132,123
General revenues and transfers				
Taxes				
Property taxes, levied for general purposes				
Specific ownership taxes				
Sales and use taxes				
Franchise taxes				
Lodging taxes				
Unrestricted earnings on investments				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position at beginning of year				
Net position at end of year				

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

Net (Expenses) Revenues and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (287,850)		\$ (287,850)
(506,324)		(506,324)
(572,712)		(572,712)
13,790		13,790
(652,014)		(652,014)
(2,005,110)	\$ -	(2,005,110)
	1,408,988	1,408,988
	219,066	219,066
	159,590	159,590
	39,715	39,715
	(653,699)	(653,699)
-	1,173,660	1,173,660
(2,005,110)	1,173,660	(831,450)
396,645		396,645
45,145		45,145
829,380		829,380
26,541		26,541
33,531		33,531
32,527	374,966	407,493
313,692	65,089	378,781
900,000	(900,000)	-
2,577,461	(459,945)	2,117,516
572,351	713,715	1,286,066
11,176,399	11,709,673	22,886,072
<u>\$ 11,748,750</u>	<u>\$ 12,423,388</u>	<u>\$ 24,172,138</u>

CITY OF HOLYOKE, COLORADO
Balance Sheet
Governmental Funds
For the Year Ended December 31, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash	\$ 2,943,647	\$ 275,486	\$ 3,219,133
Cash with fiscal agent	8,073	110	8,183
Due from other funds	53,037		53,037
Certificates of deposit	57,203	538,950	596,153
Property taxes receivable	384,295	10,876	395,171
Accounts receivable	219,733		219,733
Interest receivable	777	7,296	8,073
Total assets	\$ 3,666,765	\$ 832,718	\$ 4,499,483
Liabilities			
Accounts payable	\$ 65,213		\$ 65,213
Due to other funds		\$ 7,296	7,296
Unearned revenues	7,788		7,788
Total liabilities	73,001	7,296	80,297
Deferred inflows of resources			
Deferred property tax revenues	384,295	10,876	395,171
Total deferred inflows of resources	384,295	10,876	395,171
Fund balance			
Nonspendable permanent fund principal		216,647	216,647
Restricted to:			
Emergencies	91,000		91,000
Culture and recreation		174,632	174,632
Public safety		110	110
Committed to:			
Culture and recreation		143,852	143,852
Health and welfare		279,305	279,305
Unassigned	3,118,469		3,118,469
Total fund balance	3,209,469	814,546	4,024,015
Total liabilities, deferred inflows of resources and fund balance	\$ 3,666,765	\$ 832,718	\$ 4,499,483

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

CITY OF HOLYOKE, COLORADO

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2023**

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

Total fund balance - governmental funds	\$ 4,024,015
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	7,564,436
Net pension assets and deferrals used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	230,736
Long-term liabilities and net pension liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(70,437)</u>
Net position of the governmental activities	<u><u>\$ 11,748,750</u></u>

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

CITY OF HOLYOKE, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 1,320,325	\$ 10,917	\$ 1,331,242
Licenses and permits	25,676		25,676
Intergovernmental revenues	383,506	41,858	425,364
Charges for services	67,196		67,196
Fines and forfeitures	3,635		3,635
Earnings on investments	20,061	12,466	32,527
Miscellaneous revenues	518,478	8,000	526,478
Total revenues	2,338,877	73,241	2,412,118
Expenditures			
Current			
General government	317,287		317,287
Public safety	795,875	19,968	815,843
Public works	805,763		805,763
Health and welfare	246,859		246,859
Culture and recreation	721,775		721,775
Total expenditures	2,887,559	19,968	2,907,527
Excess of revenues over (under) expenditures	(548,682)	53,273	(495,409)
Other financing sources (uses)			
Transfers in	907,893		907,893
Transfers out		(7,893)	(7,893)
Total other financing sources (uses)	907,893	(7,893)	900,000
Net change in fund balance	359,211	45,380	404,591
Fund balance at beginning of year	2,850,258	769,166	3,619,424
Fund balance at end of year	\$ 3,209,469	\$ 814,546	\$ 4,024,015

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

CITY OF HOLYOKE, COLORADO
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2023

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

Net change in fund balances - governmental funds	\$ 404,591
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.	148,036
Proceeds received from the disposal of assets are reported in governmental funds, but the net book value of these assets reduces net position in the statement of activities.	(180)
In the statement of activities, certain expenses related to the pension liabilities and related deferred outflows and inflows of resources and compensated absences, are measured by amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	<u>19,904</u>
Change in net position of governmental activities	<u><u>\$ 572,351</u></u>

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

CITY OF HOLYOKE, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2023

	<u>Enterprise Fund</u>
Assets	
Current assets	
Cash	\$ 2,394,779
Certificates of deposit	8,214,263
Receivables	525,616
Inventory	555,028
Prepaid items	<u>104,475</u>
Total current assets	11,794,161
Noncurrent assets	
Land	151,000
Capital assets, net of depreciation	<u>1,310,539</u>
Total noncurrent assets	<u>1,461,539</u>
Total assets	<u><u>\$ 13,255,700</u></u>
Liabilities	
Current liabilities	
Accounts payable	\$ 140,970
Due to other funds	45,741
Customer deposits	32,900
Unearned grant revenue	<u>554,980</u>
Total current liabilities	774,591
Long-term liabilities	
Accrued compensated absences	<u>57,721</u>
Total liabilities	832,312
Net position	
Net investment in capital assets	1,461,539
Unrestricted	<u>10,961,849</u>
Total net position	<u>12,423,388</u>
Total liabilities and net position	<u><u>\$ 13,255,700</u></u>

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

CITY OF HOLYOKE, COLORADO
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Enterprise Fund
Operating revenues	
Charges for services	\$ 3,906,268
Operating expenses	
Salaries	754,993
Benefits	306,130
Supplies	89,162
Repairs and maintenance	88,830
Farm	23,508
Water pumping	66,318
Publications and notices	290
Membership and dues	2,927
Utilities	1,176,151
Legal and professional	35,090
Testing	9,672
Travel and meetings	7,281
Education and training	2,695
Landfill	49,535
Insurance	55,526
Bad debts	1,969
Depreciation	156,871
Total operating expenses	<u>2,826,948</u>
Operating income	1,079,320
Nonoperating revenues	
Earnings on investments	374,966
Property rent	94,340
Miscellaneous	65,089
Total nonoperating revenues	<u>534,395</u>
Net income before transfers	1,613,715
Transfers out	<u>(900,000)</u>
Change in net position	713,715
Net position at beginning of year	<u>11,709,673</u>
Net position at end of year	<u><u>\$ 12,423,388</u></u>

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

CITY OF HOLYOKE, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Enterprise Fund
Cash flows from operating activities	
Receipts from customers	\$ 3,893,415
Payments to other funds	(285,596)
Payments to suppliers	(2,156,486)
Payments to employees	(762,028)
	<hr/>
Net cash provided by operating activities	689,305
Cash flows from noncapital financing activities	
Transfers to other funds	(900,000)
Property rent	94,340
Miscellaneous receipts	65,089
	<hr/>
Net cash used by noncapital financing activities	(740,571)
Cash flows from capital and related financing activities	
Purchase of capital assets	(157,751)
	<hr/>
Net cash used by capital and related financing activities	(157,751)
Cash flows from investing activities	
Earnings on investments	338,476
Redemptions of certificates of deposit	1,000,000
Purchase of certificates of deposit	(214,263)
	<hr/>
Net provided used by investing activities	1,124,213
	<hr/>
Net increase in cash and cash equivalents	915,196
Cash and cash equivalents at beginning of year	1,479,583
	<hr/>
Cash and cash equivalents at end of year	<u>\$ 2,394,779</u>

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

	Enterprise Fund
	<u> </u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 1,079,320
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	156,871
Bad debts	1,969
Change in assets and liabilities	
Receivables	(10,703)
Inventory	(79,413)
Prepaid items	(104,475)
Accounts payable	(59,483)
Due to other funds	(285,596)
Customer deposits	(2,150)
Accrued compensated absences	(7,035)
	<u> </u>
Net cash provided by operating activities	<u><u>\$ 689,305</u></u>

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies

This summary of the City of Holyoke’s significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

The more significant of the City’s accounting policies are described below.

A.1 – Reporting entity

The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The reporting entity’s financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The City has examined other entities that could be included as defined in numbers 2 and 3 above. Based on these criteria, the City has no component units.

A.2 – Fund accounting

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.” The City does not have any fiduciary funds.

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), major capital projects (capital projects fund), and the servicing of general long-term debt (debt service fund). The following is the City’s major governmental fund:

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

General Fund – The General Fund is the operating fund of the City. It is used to account for most of the day-to-day operations of the City which are financed from sales and use taxes, property taxes and other general revenues. Activities financed by the general fund include those of line and staff departments within the City, except for activities of the enterprise funds.

The following are the City’s nonmajor governmental funds:

Heginbotham Trust Fund – This fund is a special revenue fund established with funds from the sale of lots with the interest earned on the principal being transferred to the parks department in the General Fund on an annual basis.

Library Land Fund – This fund is a special revenue fund established through the sale of land with the interest earned on the principal being transferred to the library department in the General Fund on an annual basis.

Spindler Library Fund – This fund is a special revenue fund established with money bequeathed to the City for the library.

Cemetery Perpetual Care Fund – This fund is a special revenue fund established to help maintain the cemetery with the interest earned on the principal being transferred to the cemetery department in the General Fund on an annual basis.

Conservation Trust Fund – This fund is a special revenue fund established to accumulate lottery proceeds which can be used to fund recreational facilities and/or projects.

Cemetery White Fund – This fund is a special revenue fund established with money bequeathed to the City to be used for the cemetery with the interest earned on the principal being transferred to the cemetery department in the General Fund on an annual basis. The principal can be used for projects approved by the cemetery board.

Massman Memorial Fund – This fund is a special revenue fund established with money bequeathed to the City to be used for the parks with the interest earned on the principal being transferred to the parks department in the General Fund on an annual basis. The principal can be used for projects approved by city council.

Firemen’s Pension Fund – This fund is a special revenue fund established to provide financial resources for the City’s Volunteer Fire Pension Plan.

LeBlanc Estate Fund – This fund is a permanent fund established with money bequeathed to the City to be used for maintaining the cemetery with the interest earned on the principal being transferred to the cemetery department in the General Fund on an as needed basis to cover cemetery maintenance projects.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is the City's major proprietary fund:

Utility Fund – This fund was established to account for all operations of the electric, water, sewer, and refuse utility services provided by the City.

Note A.3 – 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 except for fiduciary funds. 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 are 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 enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

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

A.4 – 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 also 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.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements 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, entitlements 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 nonexchange transactions must also be available before it can be recognized.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Property taxes, sales taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

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

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

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 liability for unearned revenue is removed and the 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 the governmental funds.

A.5 – Encumbrances

Encumbrances outstanding at year-end are considered immaterial and thus are not reported as reservations of fund balance.

A.6 – Cash and cash investments

The City has pooled the cash resources of its funds in order to maximize investment opportunities. Short-term investments, including government securities and certificates of deposit, are purchased with pooled cash. Interest earned is allocated to individual funds based on their proportional equity in each investment purchased. Certain funds have made disbursements for investments in excess of the fund’s individual equity. The deficit balances of these funds are reported as a liability “due to other funds.”

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.7 – Cash and cash equivalents

For the purposes of the statement of cash flows, the City considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

A.8 – Short-term interfund receivables/payables

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

A.9 – Receivables

Monthly charges for water, sanitation and sewer services are included with monthly utility billings. No allowance for doubtful accounts has been provided in the accompanying financial statements since substantially all accounts are deemed by management to be collectible.

A.10 – Inventories

Inventories in the proprietary funds consist of supplies and are recorded at the lower of cost or market using the first-in, first-out method.

A.11 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

All capital assets with a unit cost greater than \$5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) have been capitalized on a prospective basis beginning in 2004.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until project completion with interest earned on invested proceeds over the same period. No interest was capitalized during the year.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Buildings	20-40 years	20-40 years
Equipment	3-10 years	3-10 years
Improvements other than buildings	10-40 years	10-40 years
Infrastructure	10-50 years	n/a

A.12 – Compensated absences

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences.” In recognition of the varying work schedules of city employees and each employee’s diverse needs for time away from work, the City provides a general leave policy of paid time off (PTO) for its employees. Paid time off shall be accrued by regular employees and is determined by the work period that each employee is scheduled.

Vacation leave

Full-time employees may accumulate up to 160 hours of vacation for the first 10 years of continuous service. After 10 years of continuous service an additional 8 hours per year may be accumulated up to a maximum of 200 hours of vacation after 15 years of continuous service. Accumulated vacation leave is paid upon separation from employment.

Sick leave

Full-time employees may accumulate up to 480 hours of sick leave. Accumulated sick leave is paid upon separation from employment at the rate of 1 day for each 4 days except in cases where employees are discharged or terminated for any reason within the first year of employment.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account “accrued compensated absences” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of the compensated absences is reported as a fund liability.

The amounts recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date.

A.13– Accrued liabilities and long-term obligations

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. Compensated absences are reported as accrued in the government-wide and proprietary fund financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees. Bonds payable 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.

A.14 – Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.15 – Operating revenues and expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are service charges for electric, water, sanitation and sewer utility services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

A.16 – 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 interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services that are provided and used are not eliminated in the process of consolidation.

A.17 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the city council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year.

A.18 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different type of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

- *Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),
- *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,
- *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of education (the City's highest level of decision-making authority),
- *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
- *Unassigned* fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the members of city council through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the City applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

Note B – Cash and investments

Cash and deposits

Colorado State statutes govern the City's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note B – Cash and investments (Continued)

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of year-end, the City had total deposits of \$14,495,212, of which \$500,000 was insured and \$13,995,212 was collateralized with securities held by the pledging institution’s trust department or agent in the City’s name.

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the City’s own investment policies and procedures. Investments of the City may include:

- Obligations of the United States Government, such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

At year-end, the City did not have any investments.

Note C – Receivables

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Receivables</u>
Utility accounts	\$ -	\$ 438,637	\$ 438,637
Property taxes	395,171	-	395,171
Other accounts	219,733	-	219,733
Interest	<u>8,073</u>	<u>86,979</u>	<u>95,052</u>
Total	<u>\$ 622,977</u>	<u>\$ 525,616</u>	<u>\$ 1,148,593</u>

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Phillips County bills and collects property taxes for all taxing entities within the County. The tax receipts collected by the County are remitted to the City in the subsequent month.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note D – Interfund transactions

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Utility Fund	\$ 900,000
General Fund	Other Governmental Funds	<u>7,893</u>
Total		<u>\$ 907,893</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The City annually transfers funds from the Utility Fund and Other Governmental Funds to provide support to various departments within the General Fund.

Note E – Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 129,481	\$ -	\$ -	\$ 129,481
Construction in progress	<u>1,079,117</u>	<u>207,148</u>	<u>(1,273,524)</u>	<u>12,741</u>
Total capital assets, not being depreciated	1,208,598	207,148	(1,273,524)	142,222
Capital assets, being depreciated:				
Land and improvements	10,671,473	256,385	-	10,927,858
Buildings and improvements	1,560,092	-	1,273,524	2,833,616
Office equipment	156,335	-	(7,213)	149,122
Machinery and equipment	<u>2,445,299</u>	<u>42,234</u>	<u>-</u>	<u>2,487,533</u>
Total capital assets, being depreciated	<u>14,833,199</u>	<u>298,619</u>	<u>1,266,311</u>	<u>16,398,129</u>
Total capital assets	16,041,797	505,767	(7,213)	16,540,351

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Less accumulated depreciation for:				
Land and improvements	(5,469,481)	(218,433)	-	(5,687,914)
Buildings and improvements	(1,053,394)	(43,528)	-	(1,096,922)
Office equipment	(153,319)	(1,697)	7,033	(147,983)
Machinery and equipment	<u>(1,949,023)</u>	<u>(94,073)</u>	<u>-</u>	<u>(2,043,096)</u>
Total accumulated depreciation	<u>(8,625,217)</u>	<u>(357,731)</u>	<u>7,033</u>	<u>(8,975,915)</u>
Governmental activities capital assets, net	<u>\$ 7,416,580</u>	<u>\$ 148,036</u>	<u>\$ (180)</u>	<u>\$ 7,564,436</u>
 Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 151,000	\$ -	\$ -	\$ 151,000
Capital assets, being depreciated				
Distribution systems	4,559,388	-	-	4,559,388
Buildings and improvements	515,181	157,751	-	672,932
Office equipment	18,330	-	-	18,330
Machinery and equipment	<u>1,604,938</u>	<u>-</u>	<u>-</u>	<u>1,604,938</u>
Total capital assets, being depreciated	<u>6,697,837</u>	<u>157,751</u>	<u>-</u>	<u>6,855,588</u>
Total capital assets	6,848,837	157,751	-	7,006,588
Less accumulated depreciation for:				
Distribution systems	(3,620,806)	(87,971)	-	(3,708,777)
Buildings and improvements	(384,303)	(19,915)	-	(404,218)
Office equipment	(18,330)	-	-	(18,330)
Machinery and equipment	<u>(1,364,739)</u>	<u>(48,985)</u>	<u>-</u>	<u>(1,413,724)</u>
Total accumulated depreciation	<u>(5,388,178)</u>	<u>(156,871)</u>	<u>-</u>	<u>(5,545,049)</u>
Business-type activities capital assets, net	<u>\$ 1,460,659</u>	<u>\$ 880</u>	<u>\$ -</u>	<u>\$ 1,461,539</u>

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

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

Governmental activities		
General government	\$	5,083
Public safety		35,677
Public works		257,419
Health and welfare		2,391
Culture and recreation		<u>57,161</u>
Total governmental activities	\$	<u>357,731</u>
Business-type activities		
Electric	\$	30,951
Water		46,005
Sewer		56,361
Refuse		500
Administration		<u>23,054</u>
Total business-type activities	\$	<u>156,871</u>

Note F – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Governmental Activities					
Compensated absences	\$ <u>51,878</u>	\$ <u>8,087*</u>	\$ <u>-</u>	\$ <u>59,965</u>	\$ <u>-</u>

The City believes that the current portion of compensated absences is negligible and is therefore not reported.

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Business-type activities					
Compensated absences	\$ <u>64,756</u>	\$ <u>-</u>	\$ <u>(7,035)*</u>	\$ <u>57,721</u>	\$ <u>-</u>

*The change in the compensated absences liability is presented as a net change.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note G - 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. The City has affiliated with the Colorado Intergovernmental Risk Sharing Agency (CIRSA) to provide protection against losses incurred related to property, casualty and general liability claims. CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of the Colorado Revised Statutes and the Colorado Constitution. The purposes of CIRSA are to provide members defined liability and property coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, or officers. The City makes an annual contribution to CIRSA for its insurance coverage. For the year, the City's financial contribution to CIRSA was \$104,714. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the City. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note H - Pension plans

The City is covered under three separate pension plans. In addition, employees may also make voluntary contributions to the deferred compensation plan discussed in Note I. The City's General Fund has been used in prior years to liquidate any net pension obligation. The assets under these plans are not considered property of the City and are held by a third party administrator for the exclusive benefit of the plan participants and their beneficiaries. The City has little administrative involvement and does not perform the investing functions for the plans. Therefore, these assets are not included as part of the financial statements of the City.

Below is a summary of the deferred inflows/outflows, net pension assets and liabilities, and pension expense for the defined benefit plans.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Pension Expense</u>
SWDB	\$ 85,432	\$ 6,238	\$ 10,472	\$ -	\$ 10,991
Volunteer - Fire	<u>28,938</u>	<u>18,900</u>	<u>-</u>	<u>141,504</u>	<u>(15,327)</u>
Total	<u>\$ 114,370</u>	<u>\$ 25,138</u>	<u>\$ 10,472</u>	<u>\$ 141,504</u>	<u>\$ (4,336)</u>

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

The City's three retirement plans and related disclosures are as follows:

Statewide Defined Benefit Plan

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. 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.

General information about the pension plan

Plan description. The Plan is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980. As of January 1, 2023, Statewide Defined Benefit Plan and the Statewide Hybrid Plan have merged to form the Statewide Retirement Plan (SRP) and the Statewide Defined Benefit Plan becomes the Defined Benefit Component of the Statewide Retirement Plan.

The SWDB assets are included in the Fire & Police Members' Benefit Investment Fund. Assets from the Deferred Retirement Option Plan (DROP), Money Purchase Component, and Separate Retirement Account assets from eligible retired members are in the Fire & Police Members' Self-Directed Investment Fund.

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

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

In 2014, the members elected to increase the member contribution rate to the SWDB Plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

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

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6.0 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Contributions to the Plan from the City during the year ended December 31, 2023 were \$13,042.

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 \$10,472 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 January 1, 2023. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2022, the City’s proportion was .0118 percent, which was a decrease of .0010 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$10,991. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 21,303	\$ -
Changes in assumptions and other inputs	15,131	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	10,186	4,839
Difference between expected and actual experience	25,770	1,399
Contributions subsequent to measurement date	<u>13,042</u>	<u>-</u>
Totals	<u>\$ 85,432</u>	<u>\$ 6,238</u>

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

\$13,042 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2024	\$ 5,795
2025	11,542
2026	15,353
2027	21,122
2028	5,407
2029	3,364
2030	1,855
2031	<u>1,714</u>
Totals	<u>\$ 66,152</u>

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

	<u>Total Pension</u> <u>Liability</u>	<u>Actuarial</u> <u>Determined</u> <u>Contributions</u>
Actuarial valuation date	January 1, 2023	January 1, 2022
Actuarial method	Entry age normal	Entry age normal
Amortization method	N/A	Level % of payroll, open
Amortization period	N/A	30 years
Long-term investment rate of return, net*	7.0%	7.0%
Projected salary increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustments (COLA)	0%	0%
* Includes inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the FPPA’s Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA’s actuaries, Gabriel, Roeder, Smith & Company, based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	35%	8.93%
Equity Long/Short	6%	7.47%
Private Markets	34%	10.31%
Fixed Income – Rates	10%	5.45%
Fixed Income – Credit	5%	6.90%
Absolute Return	9%	6.49%
Cash	<u>1%</u>	3.92%
Total	<u><u>100%</u></u>	

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

	1% Decrease <u>(6.00%)</u>	Current Discount <u>(7.00)</u>	1% Increase <u>(8.00)</u>
Proportionate share of the net pension liability (asset)	\$ <u>72,193</u>	\$ <u>10,472</u>	\$ <u>(40,653)</u>

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

Payables to the pension plan

The City did not report any payables to the pension plan at year-end.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

Holyoke Volunteer Fire Department Pension Fund

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Holyoke Volunteer Fire Department Pension Fund and additions to/deductions from Holyoke Volunteer Fire Department Pension Fund’s net position have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the pension plan

Plan administration. The City’s defined benefit pension plan for volunteers provides retirement and disability benefits and death benefits to plan members and beneficiaries. The plan is affiliated with the Fire and Police Member’s Benefit Fund, an agent multiple-employer pension plan administered by the Fire and Police Pension Association (FPPA) of Colorado. Title 31, Article 30 of the Colorado Revised Statutes assigns the authority to establish and amend the benefit provisions of the plans that participate in FPPA to the respective member entities. The FPPA issues a publicly available financial report that includes financial statements and required supplementary information for Public Employee Retirement System (PERS) Affiliated Local Plans that can be obtained at <http://www.FPPAco.org>.

Management of the Holyoke Volunteer Fire Department Pension Fund is vested in the local Pension Board, which consists of the City Mayor, Treasurer, two persons appointed by the governing body of the City, and three representatives of the local fire department serving the City.

Plan membership. At year-end, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>15</u>
Total	<u><u>36</u></u>

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

Benefits provided. The plan provides retirement and death benefits. Any firefighter who has both reached the age of 50 and completed 20 years of active service shall be eligible for a monthly pension (currently \$55 per month). Vesting for reduced monthly pension benefits begins at 10 years of service, with full pension after 20 years. The plan also provides for a lump-sum burial benefit of \$100 upon the death of an active or retired firefighter. The plan does not provide for disability or survivor benefits.

Contributions. Contribution requirements of the plan are established under Title 31, Article 30 of the Colorado Revised Statutes. The plan is noncontributory regarding participants. Contributions to the plan for the year ended December 31, 2023 included \$9,138 from the State of Colorado matching funds and \$10,613 from the City.

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 asset of \$141,504. The net pension asset 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 January 1, 2023.

For the year ended December 31, 2023, the City recognized pension expense of \$(15,327). At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 16,838	\$ -
Changes in assumptions and other inputs	1,487	-
Difference between expected and actual experience	-	18,900
Contributions subsequent to measurement date	<u>10,613</u>	<u>-</u>
Totals	<u>\$ 28,938</u>	<u>\$ 18,900</u>

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

\$10,613 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2024	\$ (7,353)
2025	(3,561)
2026	642
2027	<u>9,697</u>
Totals	<u>\$ (575)</u>

Actuarial assumptions. The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods 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
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.00%
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. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

* Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	1.00%	3.92%
Fixed Income - Rates	10.00%	5.45%
Fixed Income - Credit	5.00%	6.90%
Absolute Return	9.00%	6.49%
Long Short	6.00%	7.47%
Global Equity	35.00%	8.93%
Private Markets	<u>34.00%</u>	10.31%
Total	<u>100.00%</u>	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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).

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

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

Changes in the net pension liability/(asset)

	Increase (Decrease)		
	Total Pension Liability <u>(a)</u>	Plan Fiduciary Position <u>(b)</u>	Net Pension Liability <u>(a)-(b)</u>
Balances at beginning of year	\$ 176,001	\$ 322,644	\$ (146,643)
Changes for the year			
Service cost	838	-	838
Interest on total pension liability	11,868	-	11,868
Benefit changes	-	-	-
Difference between expected and actual experience	(25,097)	-	(25,097)
Changes of assumptions	2,022	-	2,022
Contributions – employer	-	10,850	(10,850)
Contributions – state of Colorado	-	8,660	(8,660)
Net investment income	-	(26,019)	26,019
Benefit payments	(13,971)	(13,971)	-
Administrative expenses	-	(8,999)	8,999
Net changes	<u>(24,340)</u>	<u>(29,479)</u>	<u>5,139</u>
Balances at end of year	<u>\$ 151,661</u>	<u>\$ 293,165</u>	<u>\$ (141,504)</u>

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

	1% Decrease <u>(6.00%)</u>	Current Discount <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Net pension liability (asset)	<u>\$ (126,527)</u>	<u>\$ (141,504)</u>	<u>\$ (154,120)</u>

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note H – Pension plans (Continued)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Holyoke Volunteer Fire Department Pension Fund financial report.

Payables to the pension plan

The City did not report any payables to the pension plan at year-end.

Defined Contribution Plan

The City contributes to the Colorado County Officials and Employees Retirement Plan (the Plan), a defined contribution plan administered by the Colorado County Officials and Employees Retirement Association (CCOERA).

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the City Council. The City's contribution is a minimum of 6 percent of covered salary, but may be increased beyond this amount. All eligible employees are required to contribute an amount equal to the contribution by the City. For the year employee contributions totaled \$59,751, and the City recognized pension expense of \$59,751.

Employees are immediately vested in their own contributions, City contributions, and earnings on those contributions.

Note I – Deferred compensation plan

The City has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is administered by an independent plan administrator through an administrative service agreement. The plan is available to all permanent City employees. Employees defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death or financial hardship.

Amendments to the laws governing Section 457 deferred compensation plans substantially became effective January 1, 1997. The City approved plan amendments such that plan assets are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The assets will not be diverted to any other purpose.

Note J – Commitments and contingencies

Federal and state funding

The City receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF HOLYOKE, COLORADO
Notes to Financial Statements

Note J - Commitments and contingencies (Continued)

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the City under specified voting requirements by the entire electorate. On November 7, 1995, the voters of the City approved a ballot initiative permitting the City to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of TABOR. However, the City has made certain interpretations of TABOR's language in order to determine its compliance. The City has restricted funds in the General Fund in the amount of \$91,000 for the emergency reserve.

Local Government Budget Laws

Expenditures in the Firemen's Pension Fund exceeded their appropriation by \$40, which may be a violation of Colorado Local Government Budget Laws.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset) – Fire & Police Statewide Defined Benefit Plan
- Schedule of City Contributions – Fire & Police Statewide Defined Benefit Plan
- Schedule of Changes in the City's Net Pension Liability/(Asset) and Related Ratios – Holyoke Volunteer Fire Department Pension Fund
- Schedule of City Contributions – Holyoke Volunteer Fire Department Pension Fund
- Budgetary Comparison Schedule – General Fund
- Notes to Required Supplementary Information

CITY OF HOLYOKE, COLORADO
Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset)
Fire & Police Statewide Defined Benefit Plan
December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability/(asset)	0.0118%	0.0128%	0.0113%	0.0151%
City's proportionate share of the net pension liability/(asset)	\$ 10,472	\$ (69,275)	\$ (24,613)	\$ (8,494)
City's covered payroll	\$ 108,682	\$ 94,741	\$ 126,117	\$ 145,510
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	9.6%	-73.1%	-19.5%	-5.8%
Plan fiduciary net position as a percentage of the total pension liability	97.60%	116.20%	106.70%	101.90%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.0145%	0.0140%	0.0165%	0.0151%	0.0146%	0.0159%
\$ 18,317	\$ (20,153)	\$ 5,968	\$ (266)	\$ (16,486)	\$ (14,209)
\$ 98,813	\$ 81,938	\$ 84,525	\$ 73,175	\$ 65,688	\$ 69,025
18.5%	-24.6%	7.1%	0.4%	25.1%	20.6%
95.20%	106.30%	98.21%	100.10%	106.80%	105.80%

CITY OF HOLYOKE, COLORADO
Schedule of City Contributions
Fire & Police Statewide Defined Benefit Plan
December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 13,042	\$ 9,238	\$ 8,053	\$ 10,089
Contributions in relation to the contractually required contribution	<u>(13,042)</u>	<u>(9,238)</u>	<u>(8,053)</u>	<u>(10,089)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 153,435	\$ 108,682	\$ 94,741	\$ 126,117
Contributions as a percentage of covered payroll	8.50%	8.50%	8.50%	8.00%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 11,641	\$ 7,905	\$ 6,555	\$ 6,762	\$ 5,854	\$ 5,255
<u>(11,641)</u>	<u>(7,905)</u>	<u>(6,555)</u>	<u>(6,762)</u>	<u>(5,854)</u>	<u>(5,255)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 145,510	\$ 98,813	\$ 81,938	\$ 84,525	\$ 73,175	\$ 65,688
8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

CITY OF HOLYOKE, COLORADO
Schedule of Changes in the City's Net Pension Liability/(Asset) and Related Ratios ¹
Holyoke Volunteer Fire Department Pension Fund
Last 10 Fiscal Years

	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 838	\$ 838	\$ 703	\$ 703
Interest on the total pension liability	11,868	11,971	12,629	12,771
Differences between expected and actual experience	(25,097)	-	(7,823)	-
Changes of assumptions	2,022	-	-	-
Benefit payments	(13,971)	(14,564)	(15,389)	(15,609)
Net change in total pension liability	(24,340)	(1,755)	(9,880)	(2,135)
Total pension liability - beginning	176,001	177,756	187,636	189,771
Total pension liability - ending (a)	<u>\$ 151,661</u>	<u>\$ 176,001</u>	<u>\$ 177,756</u>	<u>\$ 187,636</u>
Plan fiduciary net position				
Contributions - employer	\$ 10,850	\$ 10,215	\$ 10,253	\$ 10,003
Net investment income	(26,019)	41,287	32,080	32,369
Benefit payments	(13,971)	(14,564)	(15,389)	(15,609)
Pension plan administrative expenses	(8,999)	(9,477)	(8,311)	(10,452)
State of Colorado supplemental discretionary payment	8,660	8,658	16,559	8,346
Net change in plan fiduciary net position	(29,479)	36,119	35,192	24,657
Plan fiduciary net position - beginning	322,644	286,525	251,333	226,676
Plan fiduciary net position - ending (b)	<u>\$ 293,165</u>	<u>\$ 322,644</u>	<u>\$ 286,525</u>	<u>\$ 251,333</u>
City's net pension liability/(asset) - ending (a) - (b)	<u>\$ (141,504)</u>	<u>\$ (146,643)</u>	<u>\$ (108,769)</u>	<u>\$ (63,697)</u>
Plan fiduciary net position as a percentage of the total pension liability	193.30%	183.32%	161.19%	133.95%
Covered payroll	N/A	N/A	N/A	N/A
City's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

¹ Until a full 10-year trend is compiled, the City will present information for those years for which information is available.

2019	2018	2017	2016	2015
\$ 762	\$ 762	\$ 964	\$ 964	\$ 767
13,833	13,928	14,045	14,107	13,718
(7,772)	-	(5,993)	-	6,209
7,045	-	5,574	-	-
(16,039)	(15,884)	(16,201)	(15,609)	(15,609)
(2,171)	(1,194)	(1,611)	(538)	5,085
191,942	193,136	194,747	195,285	190,200
<u>\$ 189,771</u>	<u>\$ 191,942</u>	<u>\$ 193,136</u>	<u>\$ 194,747</u>	<u>\$ 195,285</u>
\$ 9,668	\$ 9,934	\$ 9,820	\$ 9,324	\$ 8,729
257	30,916	10,829	3,689	12,654
(16,039)	(15,884)	(16,201)	(15,609)	(15,609)
(10,110)	(10,121)	(599)	(2,722)	(679)
-	8,331	7,931	7,382	7,002
(16,224)	23,176	11,780	2,064	12,097
242,900	219,724	207,944	205,880	193,783
<u>\$ 226,676</u>	<u>\$ 242,900</u>	<u>\$ 219,724</u>	<u>\$ 207,944</u>	<u>\$ 205,880</u>
<u>\$ (36,905)</u>	<u>\$ (50,958)</u>	<u>\$ (26,588)</u>	<u>\$ (13,197)</u>	<u>\$ (10,595)</u>
119.45%	126.55%	113.77%	106.78%	105.43%
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

CITY OF HOLYOKE, COLORADO
Schedule of City Contributions
Holyoke Volunteer Fire Department Pension Fund
Last 10 Fiscal Years

Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actuarial Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2023	\$ -	\$ 19,751	\$ (19,751)	N/A	N/A
2022	-	19,510	(19,510)	N/A	N/A
2021	6,166	18,873	(12,707)	N/A	N/A
2020	6,166	26,812	(20,646)	N/A	N/A
2019	-	18,349	(18,349)	N/A	N/A
2018	-	9,668	(9,668)	N/A	N/A
2017	-	18,265	(18,265)	N/A	N/A
2016	-	17,751	(17,751)	N/A	N/A
2015	940	16,706	(15,766)	N/A	N/A
2014	940	15,731	(14,791)	N/A	N/A

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

CITY OF HOLYOKE, COLORADO
General Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 1,120,100	\$ 1,120,100	\$ 1,320,325	\$ 200,225
Licenses and permits	17,300	17,300	25,676	8,376
Intergovernmental revenues	3,423,765	3,423,765	383,506	(3,040,259)
Charges for services	96,100	96,100	67,196	(28,904)
Fines and forfeitures	12,000	12,000	3,635	(8,365)
Earnings on investments	8,040	8,040	20,061	12,021
Miscellaneous revenues	373,335	373,335	518,478	145,143
Total revenues	5,050,640	5,050,640	2,338,877	(2,711,763)
Expenditures				
General government	3,451,355	3,451,355	317,287	3,134,068
Public safety	707,305	707,305	795,875	(88,570)
Public works	1,464,530	1,464,530	805,763	658,767
Health and welfare	226,950	226,950	246,859	(19,909)
Culture and recreation	923,695	923,695	721,775	201,920
Total expenditures	6,773,835	6,773,835	2,887,559	3,886,276
Excess of revenues over (under) expenditures	(1,723,195)	(1,723,195)	(548,682)	1,174,513
Other financing sources				
Transfers in	1,808,475	1,808,475	907,893	(900,582)
Net change in fund balance	\$ 85,280	\$ 85,280	359,211	\$ 273,931
Fund balance at beginning of year			2,850,258	
Fund balance at end of year			\$ 3,209,469	

CITY OF HOLYOKE, COLORADO
Notes to Required Supplementary Information

Note A – Budgets and budgetary accounting

Annual budgets are established for all funds of the City. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles except for the Utility Fund in which capital purchases and principal retirement expenses are treated as operating expenses and depreciation expense is not budgeted.

An appropriated budget for the entity as a whole is prepared on a detailed basis. Revenues are budgeted by source. Expenditures are budgeted by department and the major divisions thereof and by each independent office and agency and by the principal objects of expenditure. The legal level of control is considered to be the entity as a whole and expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review and approval by city council. Within these control levels, management may transfer appropriations without city council approval. Revisions to the budget were made during the year.

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

- On or before October 15th of each year, or in conformity with the general state law, the city clerk submits to the city council a budget which shall be a complete financial plan for the ensuing fiscal year.
- At the same time the budget is submitted, the city clerk shall also prepare an appropriation ordinance making a levy in mills upon all taxable property within the City for the ensuing fiscal year. A public hearing on the budget shall be held by city council two weeks after its submission. Notice of the time and place of said hearing shall be published within three days after the submission of the budget.
- Prior to December 15th, or in conformity with the general state law, the city council shall adopt the budget and the tax levy ordinance.

Note B – Factors affecting trends in amounts reported in the pension schedules

Information about factors that significantly affect trends in the amounts reported in the pension schedules is available in FPPA's comprehensive annual financial report which can be obtained at www.fppaco.org/annual-reports.html.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- General Fund – Budgetary Comparison Schedules of Revenues and Expenditures
- Combining Statements and Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Enterprise Fund

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Budgetary Comparison Schedules – General Fund

The General Fund accounts for all transactions of the City not required to be accounted for in other funds. This fund represents an accounting of the City's ordinary operations financed primarily from tax dollars and intergovernmental aid. It is the most significant fund in relation to the City's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

CITY OF HOLYOKE, COLORADO
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Taxes				
General property	\$ 381,200	\$ 381,200	\$ 385,728	\$ 4,528
Specific ownership	45,000	45,000	45,145	145
General sales and use	646,500	646,500	829,380	182,880
Franchise	20,400	20,400	26,541	6,141
Lodging tax	27,000	27,000	33,531	6,531
Total taxes	1,120,100	1,120,100	1,320,325	200,225
Licenses and permits	17,300	17,300	25,676	8,376
Intergovernmental revenues				
Highway users tax	92,265	92,265	95,999	3,734
Motor vehicle assessments	11,000	11,000	10,110	(890)
Road and bridge tax	35,000	35,000	33,933	(1,067)
Cigarette taxes	3,000	3,000	2,861	(139)
Airport fuel tax	6,000	6,000	5,666	(334)
Federal and state grants	3,276,500	3,276,500	234,937	(3,041,563)
Total intergovernmental revenues	3,423,765	3,423,765	383,506	(3,040,259)
Charges for services				
Cemeteries	32,600	32,600	27,200	(5,400)
Recreation	63,500	63,500	39,996	(23,504)
Total charges for services	96,100	96,100	67,196	(28,904)
Fines and forfeitures				
Court	12,000	12,000	3,635	(8,365)
Total fines and forfeitures	12,000	12,000	3,635	(8,365)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Earnings on investments	8,040	8,040	20,061	12,021
Miscellaneous revenues				
Rents	24,000	24,000	25,332	1,332
Airport fuel sales	178,500	178,500	190,315	11,815
Reimbursements	114,635	114,635	122,522	7,887
Insurance claims	5,500	5,500	145,553	140,053
Miscellaneous	50,700	50,700	34,756	(15,944)
Total miscellaneous revenues	373,335	373,335	518,478	145,143
Total revenues	\$ 5,050,640	\$ 5,050,640	\$ 2,338,877	\$ (2,711,763)

CITY OF HOLYOKE, COLORADO
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
General government				
General administration	\$ 3,352,820	\$ 3,352,820	\$ 315,241	\$ 3,037,579
Building department	98,535	98,535	2,046	96,489
Total general government	3,451,355	3,451,355	317,287	3,134,068
Public safety				
Police	650,305	650,305	581,707	68,598
Fire	57,000	57,000	214,168	(157,168)
Total public safety	707,305	707,305	795,875	(88,570)
Public works				
Airport	186,920	186,920	114,282	72,638
Streets	1,277,610	1,277,610	691,481	586,129
Total public works	1,464,530	1,464,530	805,763	658,767
Health and welfare				
Cemetery	226,950	226,950	246,859	(19,909)
Culture and recreation				
Library	281,785	281,785	143,535	138,250
Parks	90,300	90,300	102,733	(12,433)
Pool	263,100	263,100	172,466	90,634
Golf	144,635	144,635	152,522	(7,887)
Recreation	143,875	143,875	150,519	(6,644)
Total culture and recreation	923,695	923,695	721,775	201,920
Total expenditures	<u>\$ 6,773,835</u>	<u>\$ 6,773,835</u>	<u>\$ 2,887,559</u>	<u>\$ 3,886,276</u>

Combining Statements and Budgetary Comparison Schedules – Nonmajor Governmental Funds

The City reports the following nonmajor governmental funds:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Heginbotham Trust Fund – This fund is a special revenue fund established with funds from the sale of lots with the interest earned on the principal being transferred to the parks department in the General Fund on an annual basis.

Library Land Fund – This fund is a special revenue fund established through the sale of land with the interest earned on the principal being transferred to the library department in the General Fund on an annual basis.

Spindler Library Fund – This fund is a special revenue fund established with money bequeathed to the City for the library.

Cemetery Perpetual Care Fund – This fund is a special revenue fund established to help maintain the cemetery with the interest earned on the principal being transferred to the cemetery department in the General Fund on an annual basis.

Conservation Trust Fund – This fund is a special revenue fund established to accumulate lottery proceeds which can be used to fund recreational facilities and/or projects.

Cemetery White Fund – This fund is a special revenue fund established with money bequeathed to the City to be used for the cemetery with the interest earned on the principal being transferred to the cemetery department in the General Fund on an annual basis. The principal can be used for projects approved by the cemetery board.

Massman Memorial Fund – This fund is a special revenue fund established with money bequeathed to the City to be used for the parks with the interest earned on the principal being transferred to the parks department in the General Fund on an annual basis. The principal can be used for projects approved by city council.

Firemen's Pension Fund – This fund is a special revenue fund established to provide financial resources for the City's Volunteer Fire Pension Plan.

Permanent Fund – This fund accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

LeBlanc Estate Fund – This fund is a permanent fund established with money bequeathed to the City to be used for maintaining the cemetery with the interest earned on the principal being transferred to the cemetery department in the General Fund on an as needed basis to cover cemetery maintenance projects.

CITY OF HOLYOKE, COLORADO
Nonmajor Governmental Funds
Combining Balance Sheet
For the Year Ended December 31, 2023

	Special Revenue Funds			
	Heginbotham Trust Fund	Library Land Fund	Spindler Library Fund	Cemetery Perpetual Care Fund
Assets				
Cash	\$ 199		\$ 8,033	\$ 25,039
Cash with fiscal agent				
Certificates of deposit	36,601	\$ 47,461		231,452
Interest receivable	497	616		3,147
Property taxes receivable				
Total assets	\$ 37,297	\$ 48,077	\$ 8,033	\$ 259,638
Liabilities				
Due to other funds	\$ 497	\$ 616		\$ 3,147
Total liabilities	497	616	\$ -	3,147
Deferred inflows of resources				
Deferred property tax revenues				
Total deferred inflows of resources	-	-	-	-
Fund balance				
Nonspendable permanent fund principal				
Restricted to:				
Culture and recreation				
Public safety				
Committed to:				
Culture and recreation	36,800	47,461	8,033	
Health and welfare				256,491
Total fund balance	36,800	47,461	8,033	256,491
Total liabilities, deferred inflows of resources and fund balance	\$ 37,297	\$ 48,077	\$ 8,033	\$ 259,638

Special Revenue Funds				Permanent Fund	
Conservation Trust Fund	Cemetery White Fund	Massman Memorial Fund	Firemen's Pension Fund	LeBlanc Estate Fund	Total
\$ 174,632	\$ 16,025	\$ 51,558	\$ 110		\$ 275,486
				\$ 223,436	110
			10,876	3,036	538,950
					7,296
					10,876
<u>\$ 174,632</u>	<u>\$ 16,025</u>	<u>\$ 51,558</u>	<u>\$ 10,986</u>	<u>\$ 226,472</u>	<u>\$ 832,718</u>
				\$ 3,036	\$ 7,296
\$ -	\$ -	\$ -	\$ -	3,036	7,296
			10,876		10,876
-	-	-	10,876	-	10,876
				216,647	216,647
174,632			110		174,632
		51,558			110
	16,025			6,789	143,852
					279,305
<u>174,632</u>	<u>16,025</u>	<u>51,558</u>	<u>110</u>	<u>223,436</u>	<u>814,546</u>
<u>\$ 174,632</u>	<u>\$ 16,025</u>	<u>\$ 51,558</u>	<u>\$ 10,986</u>	<u>\$ 226,472</u>	<u>\$ 832,718</u>

CITY OF HOLYOKE, COLORADO
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2023

	Special Revenue Funds			
	Heginbotham Trust Fund	Library Land Fund	Spindler Library Fund	Cemetery Perpetual Care Fund
Revenues				
Taxes				
Intergovernmental revenue				
Earnings on investments	\$ 727	\$ 915	\$ 104	\$ 3,612
Miscellaneous				8,000
Total revenues	727	915	104	11,612
Expenditures				
Public safety				
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	727	915	104	11,612
Other financing uses				
Transfers out	(497)	(616)		(3,147)
Net change in fund balance	230	299	104	8,465
Fund balance at beginning of year	36,570	47,162	7,929	248,026
Fund balance at end of year	<u>\$ 36,800</u>	<u>\$ 47,461</u>	<u>\$ 8,033</u>	<u>\$ 256,491</u>

Special Revenue Funds					Permanent Fund	
Conservation Trust Fund	Cemetery White Fund	Massman Memorial Fund	Firemen's Pension Fund	LeBlanc Estate Fund	Total	
			\$ 10,917		\$ 10,917	
\$ 32,720			9,138		41,858	
1,813	\$ 207	\$ 676		\$ 4,412	12,466	
					8,000	
34,533	207	676	20,055	4,412	73,241	
			19,968		19,968	
-	-	-	19,968	-	19,968	
34,533	207	676	87	4,412	53,273	
	(207)	(390)		(3,036)	(7,893)	
34,533	-	286	87	1,376	45,380	
140,099	16,025	51,272	23	222,060	769,166	
\$ 174,632	\$ 16,025	\$ 51,558	\$ 110	\$ 223,436	\$ 814,546	

CITY OF HOLYOKE, COLORADO
Heginbotham Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 1,410	\$ 1,410	\$ 727	\$ (683)
Total revenues	1,410	1,410	727	(683)
Expenditures				
Current				
Culture and recreation				-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	1,410	1,410	727	(683)
Other financing uses				
Transfers out	(1,410)	(1,410)	(497)	913
Net change in fund balance	\$ -	\$ -	230	\$ 230
Fund balance at beginning of year			36,570	
Fund balance at end of year			\$ 36,800	

CITY OF HOLYOKE, COLORADO
Library Land Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 1,600	\$ 1,600	\$ 915	\$ (685)
Total revenues	1,600	1,600	915	(685)
Expenditures				
Current				
Culture and recreation				-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	1,600	1,600	915	(685)
Other financing uses				
Transfers out	(1,600)	(1,600)	(616)	984
Net change in fund balance	\$ -	\$ -	299	\$ 299
Fund balance at beginning of year			47,162	
Fund balance at end of year			\$ 47,461	

CITY OF HOLYOKE, COLORADO
Spindler Library Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 60	\$ 60	\$ 104	\$ 44
Total revenues	60	60	104	44
Expenditures				
Current				
Culture and recreation				-
Total expenditures	-	-	-	-
Net change in fund balance	\$ 60	\$ 60	104	\$ 44
Fund balance at beginning of year			7,929	
Fund balance at end of year			\$ 8,033	

CITY OF HOLYOKE, COLORADO
Cemetery Perpetual Care Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 7,560	\$ 7,560	\$ 3,612	\$ (3,948)
Sale of cemetery plots	8,250	8,250	8,000	(250)
Total revenues	15,810	15,810	11,612	(4,198)
Expenditures				
Current				
Health and welfare				-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	15,810	15,810	11,612	(4,198)
Other financing uses				
Transfers out	(7,560)	(7,560)	(3,147)	4,413
Net change in fund balance	\$ 8,250	\$ 8,250	8,465	\$ 215
Fund balance at beginning of year			248,026	
Fund balance at end of year			\$ 256,491	

CITY OF HOLYOKE, COLORADO
Conservation Trust Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Lottery proceeds	\$ 30,000	\$ 30,000	\$ 32,720	\$ 2,720
Earnings on investments	1,035	1,035	1,813	778
Total revenues	31,035	31,035	34,533	3,498
Expenditures				
Current				
Culture and recreation				-
Total expenditures	-	-	-	-
Net change in fund balance	\$ 31,035	\$ 31,035	34,533	\$ 3,498
Fund balance at beginning of year			140,099	
Fund balance at end of year			\$ 174,632	

CITY OF HOLYOKE, COLORADO
Cemetery White Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 225	\$ 225	\$ 207	\$ (18)
Total revenues	225	225	207	(18)
Expenditures				
Current				
Health and welfare				-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	225	225	207	(18)
Other financing uses				
Transfers out	(225)	(225)	(207)	18
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance at beginning of year			16,025	
Fund balance at end of year			\$ 16,025	

CITY OF HOLYOKE, COLORADO
Massman Memorial Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 390	\$ 390	\$ 676	\$ 286
Total revenues	390	390	676	286
Expenditures				
Current				
Culture and recreation				-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	390	390	676	286
Other financing uses				
Transfers out	(390)	(390)	(390)	-
Net change in fund balance	\$ -	\$ -	286	\$ 286
Fund balance at beginning of year			51,272	
Fund balance at end of year			\$ 51,558	

CITY OF HOLYOKE, COLORADO
Firemen's Pension Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	\$ 10,790	\$ 10,790	\$ 10,917	\$ 127
Total revenues	10,790	10,790	10,917	127
Expenditures				
Public safety				
Contributions to FPPA	10,590	10,590	10,613	(23)
County treasurer's fees	200	200	217	(17)
Total expenditures	10,790	10,790	10,830	(40)
Net change in fund balance	\$ -	\$ -	87	\$ 87
Adjustments to GAAP Basis				
State matching contribution			9,138	
Contributions to FPPA			(9,138)	
Net change in fund balance - GAAP Basis			87	
Fund balance at beginning of year			23	
Fund balance at end of year			\$ 110	

CITY OF HOLYOKE, COLORADO
LeBlanc Estate Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ 7,290	\$ 7,290	\$ 4,412	\$ (2,878)
Total revenues	7,290	7,290	4,412	(2,878)
Expenditures				
Current				
Health and welfare				-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	7,290	7,290	4,412	(2,878)
Other financing uses				
Transfers out	(7,290)	(7,290)	(3,036)	4,254
Net change in fund balance	\$ -	\$ -	1,376	\$ 1,376
Fund balance at beginning of year			222,060	
Fund balance at end of year			\$ 223,436	

Budgetary Comparison Schedules – Enterprise Funds

The City reports the following major proprietary fund:

Enterprise Funds – These funds are used to account for operations that provide services that are financed primarily by user charges, or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes.

- Utility Fund - This fund was established to account for all operations of the electric, water, sewer and refuse utility services provided by the City.

CITY OF HOLYOKE, COLORADO
Utility Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Operating revenues				
Charges for services	\$ 3,992,320	\$ 3,992,320	\$ 3,906,268	\$ (86,052)
Total operating revenues	3,992,320	3,992,320	3,906,268	(86,052)
Operating expenses				
Salaries	921,470	921,470	754,993	166,477
Benefits	380,895	380,895	306,130	74,765
Supplies	68,000	68,000	89,162	(21,162)
Repairs and maintenance	330,500	330,500	88,830	241,670
Farm	10,000	10,000	23,508	(13,508)
Water pumping	70,000	70,000	66,318	3,682
Publications and legal notices	500	500	290	210
Membership and dues	4,600	4,600	2,927	1,673
Utilities	1,377,715	1,377,715	1,176,151	201,564
Legal and professional	195,000	195,000	35,090	159,910
Testing	11,000	11,000	9,672	1,328
Travel and meetings	10,700	10,700	7,281	3,419
Education and training	6,500	6,500	2,695	3,805
Landfill	52,000	52,000	49,535	2,465
Website	1,100	1,100		1,100
Insurance	60,000	60,000	55,526	4,474
Bad debts	3,000	3,000	1,969	1,031
Capital outlay	877,025	877,025	157,751	719,274
Total operating expenses	4,380,005	4,380,005	2,827,828	1,552,177
Operating income (loss)	(387,685)	(387,685)	1,078,440	1,466,125
Nonoperating revenues				
Earnings on investments	303,880	303,880	374,966	71,086
Property rent	50,000	50,000	94,340	44,340
Federal and state grants	350,000	350,000		
Miscellaneous	45,175	45,175	65,089	19,914
Total nonoperating revenues	749,055	749,055	534,395	135,340
Net income before transfers	361,370	361,370	1,612,835	1,251,465

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Transfers in	1,501,925	1,501,925		(1,501,925)
Transfers out	(1,010,000)	(1,010,000)	(900,000)	110,000
Change in net position	<u>\$ 853,295</u>	<u>\$ 853,295</u>	712,835	<u>\$ (140,460)</u>
Adjustments to GAAP Basis				
Add capital outlay			157,751	
Deduct depreciation			(156,871)	
Change in net position - GAAP Basis			713,715	
Net position at beginning of year			<u>11,709,673</u>	
Net position at end of year			<u>\$ 12,423,388</u>	

CITY OF HOLYOKE, COLORADO

Utility Fund

Schedule of Revenues, Expenses and Changes in Net Position by Department

For the Year Ended December 31, 2023

	Electric	Water	Sewer	Refuse
Operating revenues				
Charges for services	\$ 2,857,824	\$ 378,222	\$ 329,405	\$ 340,817
Total operating revenues	2,857,824	378,222	329,405	340,817
Operating expenses				
Salaries	151,547	48,849	50,918	130,821
Benefits	50,676	18,658	30,159	85,646
Supplies	24,510	25,085	3,623	20,896
Repairs and maintenance	40,072	13,080	8,795	12,657
Farm		23,508		
Water pumping		66,318		
Publications and notices				
Membership and dues		665		
Utilities	1,142,733	1,065	16,752	1,047
Legal and professional		200		
Testing		6,942	2,730	
Travel and meetings	6,378	736	167	
Education and training		2,385	310	
Landfill				49,535
Depreciation	30,951	46,005	56,361	500
Insurance				
Bad debts	1,969			
Total operating expenses	1,448,836	253,496	169,815	301,102
Operating income (loss)	1,408,988	124,726	159,590	39,715
Nonoperating revenues				
Earnings on investments	374,966			
Property rent		94,340		
Miscellaneous	28,524	7,745	1,554	6,271
Total nonoperating revenues	403,490	102,085	1,554	6,271
Net income (loss) before transfers	1,812,478	226,811	161,144	45,986
Transfers out	(900,000)			
Change in net position	\$ 912,478	\$ 226,811	\$ 161,144	\$ 45,986

<u>Administration</u>	<u>Total</u>
	\$ 3,906,268
\$ -	3,906,268
372,858	754,993
120,991	306,130
15,048	89,162
14,226	88,830
	23,508
	66,318
290	290
2,262	2,927
14,554	1,176,151
34,890	35,090
	9,672
	7,281
	2,695
	49,535
23,054	156,871
55,526	55,526
	1,969
<u>653,699</u>	<u>2,826,948</u>
(653,699)	1,079,320
	374,966
	94,340
20,995	65,089
<u>20,995</u>	<u>534,395</u>
(632,704)	1,613,715
	(900,000)
<u>\$ (632,704)</u>	<u>\$ 713,715</u>

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**Colorado Department of Highways
Local Highway Finance Report**

This calendar-year report of receipts and expenditures is required by the Colorado Department of Highways to maintain Statewide accountability for moneys used for highway and street purposes. To ensure data accuracy, House Bill 1008 mandates that this report be included in the City's financial statements.

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

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

This Information From The Records Of: City of Holyoke, Colorado	Prepared By: Kathleen L. Olofson, CMC 970-854-2266
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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
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 86,865.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 600,381.00
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	\$ 350,999.00	b. Snow and ice removal	
3. Other local imposts (from page 2)	\$ 289,373.00	c. Other	\$ 55,000.00
4. Miscellaneous local receipts (from page 2)	\$ -	d. Total (a. through c.)	\$ 55,000.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 4,235.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 746,481.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 640,372.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 106,109.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 746,481.00	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 746,481.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ -	\$ 746,481.00	\$ 746,481.00	\$ -	\$ -

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
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 289,373.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 289,373.00	h. Other	
c. Total (a. + b.)	\$ 289,373.00	i. Total (a. through h.)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 95,999.00	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	\$ 10,110.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 10,110.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 106,109.00	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)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs			\$ -
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements		\$ 86,865.00	\$ 86,865.00
(3). System Preservation			\$ -
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 86,865.00	\$ 86,865.00
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 86,865.00	\$ 86,865.00
<i>(Carry forward to page 1)</i>			

Notes and Comments: