

CITY OF ROCKY FORD, COLORADO
FINANCIAL STATEMENTS
DECEMBER 31, 2023

CITY OF ROCKY FORD, COLORADO

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 8
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	9
STATEMENT OF ACTIVITIES	10
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	11
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	12
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS	13
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	14
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	15
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	16
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	17
NOTES TO FINANCIAL STATEMENTS	18 - 37
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – OLD HIRE POLICE PENSION FUND	38
SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – VOLUNTEER FIRE DEPARTMENT PENSION FUND	39
SCHEDULE OF PLAN CONTRIBUTIONS – OLD HIRE POLICE PENSION FUND	40
SCHEDULE OF PLAN CONTRIBUTIONS – VOLUNTEER FIRE DEPARTMENT PENSION FUND	41
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND	42
SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – CAPITAL IMPROVEMENT FUND	43
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	44
SUPPLEMENTARY INFORMATION	
INDIVIDUAL FINANCIAL STATEMENTS - MAJOR GOVERNMENTAL FUNDS	45 - 48
COMBINING FINANCIAL STATEMENTS - NONMAJOR FUNDS	49 - 58
INDIVIDUAL FINANCIAL STATEMENTS AND BUDGET SCHEDULES – ENTERPRISE FUNDS	59 - 70
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	71 - 72
LOCAL HIGHWAY FINANCE REPORT	73 - 74

HANCOCK FROESE & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS
601 SOUTH EIGHTH STREET
ROCKY FORD, COLORADO 81067

Patrick A. Hancock CPA 719-688-0812
Andrew H. Froese CPA 719-980-1962

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Rocky Ford, 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 Rocky Ford, Colorado, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise City of Rocky Ford, Colorado basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rocky Ford, Colorado, as of December 31, 2023, and the respective changes in financial position and, where applicable, cashflows 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Rocky Ford, Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Rocky Ford, Colorado'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 of Rocky Ford, Colorado'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, pension and other post-employment benefit schedules and the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2024 on our consideration of the City of Rocky Ford, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Rocky Ford, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Rocky Ford, Colorado's internal control over financial reporting and compliance.



HANCOCK FROESE & COMPANY LLC

Rocky Ford, Colorado

July 24, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Rocky Ford's (the "City") Annual Financial Report provides readers with a narrative overview and analysis of the City's financial performance during the fiscal year that ended on December 31, 2023. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report, the City of Rocky Ford's basic financial statements and notes to the financial statements to enhance their understanding of the activities and financial health of the City of Rocky Ford.

FINANCIAL HIGHLIGHTS

The City's total net position increased from \$21,903,233 to \$22,270,474 over the course of the City's operations in 2023.

During the year, the City's governmental revenues generated in taxes and other revenues for governmental programs (after other financing sources) were \$191,971 more than the \$5,301,793 of expenditures for general government and governmental services.

The City's business-type funds, the water, sewer and solid waste disposal funds, had an increase in total net position of \$175,270 over the year, up from \$9,971,709 in 2022 to \$10,146,979 in 2023.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the City's *Basic Financial Statements*. The Basic Financial Statements contain three components: (1), government-wide financial statements; (2), fund financial statements (including component unit statements, if applicable); and (3), notes to the financial statements. In addition, this report contains other *Required Supplementary Information*, and a *Supplemental Information* section that presents *combining statements* for non-major governmental funds and internal service funds (along with actual and budget comparison schedules).

The basic financial statements include two kinds of statements that present different views of the City: *government-wide financial statements* and *fund financial statements*.

The first two statements are government-wide financial statements that provide both *long-term* and *short-term* information about the City's *overall* financial status.

The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations in more detail than the government-wide statements.

Governmental Fund statements tell how *general government* services like public safety, highways and streets, welfare, sanitation, cultural and recreation, and economic development were financed in the short-term as well as what remains for future spending.

Proprietary Fund statements offer *short-term* and *long-term* financial information about the activities the City government operates in, similar to a private business, such as the Rocky Ford Water Department, and the internal service funds which provide services to other departments or governmental units within the City on a cost-reimbursement basis.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explain and support the information in the financial statements. In addition to these required components, a section is included with combining statements that provide further detail about the City's non-major governmental funds and internal service funds, each of which are added together and presented in single columns in each of the basic financial statements.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position, the difference between the City's assets and liabilities, is one way to measure the City's financial health or current position.

Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the City, consideration should be given to additional non-financial factors such as changes in the City's property tax base and the condition of the City's streets, sewer mains, and water treatment and distribution systems.

The government-wide financial statements of the City are divided into three categories.

1. *Governmental Activities*. Most of the City's basic services are included in governmental activities such as public safety, streets, recreation and general administration. Property and sales taxes and state and federal grants finance most of these activities.
2. *Business-type Activities*. The City charges fees to customers to help cover the costs of certain services it provides. The City's water, sewer and solid waste enterprise funds are included here.
3. *Component Units*. Component units are legally separate organizations for which the Rocky Ford City Council is financially accountable. Currently, the City has no component units.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

Some funds are required by state law and by bond covenants.

The City Council establishes other funds to control and manage resources for particular purposes (i.e., Debt Services and Capital Projects Funds) or show that certain taxes and grants are used appropriately (i.e., Special Revenue Funds).

The City has two kinds of funds:

1. *Governmental Funds*. Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide funds statement that explains the relationship (or differences) between the two types of statements.
2. *Proprietary Funds*. Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

The City's Enterprise Funds are classified as business-type activities on the government-wide statements, but more detailed information is provided in the Proprietary Fund Statements, such as its cash flows.

Financial Analysis of the City as a Whole

Net Position: As discussed earlier, net position may serve as a useful indicator of a government's financial position. As of December 31, 2023, total City's net position was \$22,270,474, governmental activity net position was \$12,123,495 and business-type activities net position were \$10,146,979. The table below provides a comparative summary of the City's Governmental and Business-type net position for 2023 and 2022:

The 2023 MD&A presentation includes comparative changes in net position for the past two years below:

Statement of Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other	\$ 1,327,539	\$ 2,243,961	\$ 4,828,370	\$ 4,404,987	\$ 6,155,909	\$ 6,648,948
Capital Assets	\$ 11,624,300	\$ 11,375,368	\$ 9,664,869	\$ 10,325,536	\$ 21,289,169	\$ 21,700,904
Total Assets	\$ 12,951,839	\$ 13,619,329	\$ 14,493,239	\$ 14,730,523	\$ 27,445,078	\$ 28,349,852
Deferred Outflows of Resources	\$ 24,831	\$ 50,796	\$ -	\$ -	\$ 24,831	\$ 50,796
Total Assets and Deferred Outflows	\$ 12,976,670	\$ 13,670,125	\$ 14,493,239	\$ 14,730,523	\$ 27,469,909	\$ 28,400,648
Liabilities						
Current and other	\$ 273,585	\$ 800,935	\$ 268,408	\$ 282,380	\$ 541,993	\$ 1,083,315
Long-term Liab.	\$ 311,578	\$ 625,975	\$ 4,077,852	\$ 4,476,434	\$ 4,389,430	\$ 5,102,409
Total Liabilities	\$ 585,163	\$ 1,426,910	\$ 4,346,260	\$ 4,758,814	\$ 4,931,423	\$ 6,185,724
Deferred Inflows of Resources	\$ 268,012	\$ 311,691	\$ -	\$ -	\$ 268,012	\$ 311,691
Net Position						
Net Investment in Capital Assets	\$ 11,312,722	\$ 10,985,129	\$ 5,736,419	\$ 6,078,602	\$ 17,049,141	\$ 17,063,731
Restricted	\$ 228,092	\$ 718,501	\$ 973,508	\$ 1,303,960	\$ 1,201,600	\$ 2,022,461
Unrestricted	\$ 582,681	\$ 227,894	\$ 3,437,052	\$ 2,589,147	\$ 4,019,733	\$ 2,817,041
Total Net Position	\$ 12,123,495	\$ 11,931,524	\$ 10,146,979	\$ 9,971,709	\$ 22,270,474	\$ 21,903,233
Total Liabilities, Deferred Inflows & Net Position	\$ 12,976,670	\$ 13,670,125	\$ 14,493,239	\$ 14,730,523	\$ 27,469,909	\$ 28,400,648

A significant portion (77%) of the net position represents the *net investment in capital asset*. This includes land, buildings, machinery and equipment, and infrastructure assets, offset with associated long-term and short-term debt liabilities. Capital assets are restricted for the purpose of providing services to the citizens of Rocky Ford; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Other *restricted net position* represents resources that are subject to external restrictions on how they may be used. Included in this category are unspent proceeds for capital projects, debt service reserve, mandated reserves for restricted library assets, conservation trust, restricted receivables and TABOR emergency funds. This portion makes up 5% of the total.

The remaining 18% of net position represent the *unrestricted* portion available for the City's ongoing obligations to its citizens.

At the end of 2023, the City of Rocky Ford had positive balances in all three categories of net position.

Changes in Revenues and Expenditures

The table below presents the City's 2023 revenues and expenditures for Governmental and Business-type activities as they are reported in the Statement of Activities compared to 2022. The revenues and expenditures include the Governmental Funds (General Fund, Capital Projects Fund and Special Revenue Funds) and the Enterprise Funds (Water Utility Fund, Sewer Utility Fund and Solid Waste Disposal Utility Fund).

The 2023 MD&A presentation includes changes in revenues and expenditures for the past two years below:

	Changes in Revenues and Expenditures					
	Governmental Activities		Business-Type Activities		Total	
REVENUES	2023	2022	2023	2022	2023	2022
Governmental Revenues:						
Charges for Services	\$1,441,707	\$ 961,812			\$ 1,441,707	\$ 961,812
Operating Grants & Contributions	\$ 640,874	\$ 731,232			\$ 640,874	\$ 731,232
Capital Grants & Contributions	\$ 197,990	\$ -			\$ 197,990	\$ -
Taxes	\$2,367,010	\$2,358,302			\$2,367,010	\$2,358,302
Other taxes, Licenses & Fines	\$ 339,437	\$ 344,912			\$ 339,437	\$ 344,912
Other, Pension	\$ 471,937	\$ 321,210			\$ 471,937	\$ 321,210
Contributions	\$ 7,500	\$ 10,974			\$ 7,500	\$ 10,974
Total Governmental Revenues	\$5,466,455	\$4,728,441			\$ 5,466,455	\$ 4,728,441
Business-type Revenues						
Charges for Services			\$ 3,073,339	\$ 2,930,413	\$ 3,073,339	\$ 2,930,413
Other			\$ 45,659	\$ 41,754	\$ 45,659	\$ 41,754
Grants & Contributions			\$ -	\$ 5,105	\$ -	\$ 5,105
Total Business-type Revenues			\$ 3,118,998	\$ 2,977,272	\$3,118,998	\$ 2,977,272
TOTAL REVENUES	\$5,466,455	\$4,728,441	\$ 3,118,998	\$ 2,977,272	\$8,585,453	\$7,705,713
EXPENDITURES						
Governmental Expenditures						
General Government	\$ 582,595	\$ 605,553			\$ 582,595	\$ 605,553
Public Safety	\$2,975,585	\$2,184,471			\$2,975,585	\$2,184,471
Public Works	\$ 674,494	\$ 694,809			\$ 674,494	\$ 694,809
Health & Welfare	\$ 123,671	\$ 118,514			\$ 123,671	\$ 118,514
Culture and Recreation	\$ 945,448	\$ 721,047			\$ 945,448	\$ 721,047
Total Governmental Expenditures	\$5,301,793	\$4,324,394			\$5,301,793	\$4,324,394
Business-type Expenditures						
Personal Services,						
Materials, Supplies			\$ 2,335,852	\$ 2,220,820	\$2,335,852	\$2,220,820
Depreciation Expense			\$ 660,667	\$ 658,599	\$ 660,667	\$ 658,599
Total Business-type Expenditures			\$ 2,996,519	\$ 2,879,419	\$2,996,519	\$2,879,419
TOTAL EXPENDITURES	\$ 5,301,793	\$ 4,324,394	\$ 2,996,519	\$ 2,879,419	\$8,298,312	\$7,203,813
EXCESS (DEFICIENCY) BEFORE TRANSFERS & SPECIAL ITEM	\$ 164,662	\$ 404,047	\$ 122,479	\$ 97,853	\$ 287,141	\$ 501,900
Transfers In (Out)	\$ 27,309	\$ -	\$ (27,309)	\$ -	\$ -	\$ -
Special Item	\$ -	\$ -	\$ 80,100	\$ (75,900)	\$ 80,100	\$ (75,900)
CHANGE IN NET POSITION	\$191,971	\$ 404,047	\$ 175,270	\$ 21,953	\$ 367,241	\$ 426,000
NET POSITION – BEGINNING	\$11,931,524	\$11,527,477	\$ 9,971,709	\$ 9,949,756	\$21,903,233	\$21,477,233
NET POSITION – ENDING	\$12,123,495	\$11,931,524	\$10,146,979	\$ 9,971,709	\$22,270,474	\$21,903,233

Governmental Activities: Governmental activities accounted for \$191,971 of revenues over expenses for 2023. Total revenues, including transfers, from governmental activities including the general fund and other governmental funds amounted to \$5,493,764.

Total expenses for governmental activities in 2023 including the general fund and other governmental funds amounted to \$5,301,793.

Business-type Activities: The business activities had revenues in excess of expenditures totaling \$175,270 in 2023.

The Water Utility Fund had expenses in excess of revenues of \$115,204 due to the increase in operating expenses.

The Sewer Utility Fund had revenues in excess of expenses of \$124,266. This was due to operating revenues exceeding operating expenses by \$124,121.

The Solid Waste Disposal Utility Fund had revenues in excess of expenses of \$166,208 due to operating revenues exceeding operating expenses by \$87,760.

Financial Analysis of the City's Funds

Governmental Funds Overview: The City of Rocky Ford uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As described earlier, the City's governmental funds provide information on short-term inflows and outflows, as well as what remains for future spending. Such information is useful in assessing the City's financial requirements. For example, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The following information is supplemental to the information presented in the previous section.

At the end of 2023, the City of Rocky Ford reported a fund balance for total governmental funds of \$842,745 compared to \$1,087,935 in 2022. Of the total fund balance, unassigned fund balance was \$609,425, the portion of fund balance which serves as a measure of current available financial resources. The fund balance is further divided into committed and restricted. The committed portion reflects the City's reserves, working capital, sick and vacation leave and future capital equipment. The unassigned portion is not set aside by management for any other purpose and is therefore an available financial resource, when available.

The restricted fund balance represents resources not available for spending or those on which legal restrictions have been placed. The City's restricted fund balance includes the following: restricted for emergencies- Tabor \$149,400; restricted for future expenditures and capital improvements \$38,059; and restricted for conservation trust \$40,633.

General Fund: The General Fund of the City accounts for all transactions not accounted for in other funds. As the City's major operating fund, the General Fund accounts for ordinary operating expenditures financed primarily by property and sales taxes and charges for services. The General Fund completed the year with a fund balance of \$760,691. This was a decrease of \$278,026 from the previous year's fund balance of 1,038,717. The General Fund had total budgeted revenues of \$3,629,210 and actual revenues of \$4,667,139 and total budgeted expenditures of \$4,813,475 and actual expenditures of \$4,809,902.

Proprietary Funds Overview: The proprietary funds are used to account for activities similar to those found in the private sector where determination of net income is necessary or useful to sound financial administration. The City has one type of proprietary fund, consisting of Enterprise Funds. The City's proprietary fund statements provide the same type of information found in the government-wide statements, but in more detail.

Enterprise Funds: The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing goods or services to the general public are being financed or recovered primarily through users' charges on a continuing basis. The City of Rocky Ford has three enterprise funds: the Water Utility Fund with unrestricted net position of \$1,558,523 in 2023 up from \$1,227,861 in 2022, the Sewer Utility Fund with unrestricted net position of \$1,188,344 in 2023 up from \$817,111 in 2022 and the Solid Waste Disposal Utility Fund with unrestricted net position of \$690,185 in 2023 up from \$544,175 in 2022.

Capital Asset and Debt Administration

Capital Assets: At the end of 2023, the City had acquired \$21,289,169 (net of accumulated depreciation and amortization) in a broad range of capital assets for its governmental and business-type activities, including land, buildings, park facilities, roads, bridges, heavy machinery, vehicle and equipment, and infrastructure.

1. All infrastructure assets acquired to date are included in capital assets in accordance with GASB 34 requirements.
2. All leased assets acquired to date are included in capital assets in accordance with GASB 87 requirements.
3. The total decrease in net capital assets for 2023 was \$411,735 or 2%.
4. Additional information on the City's capital assets can be found in Notes 1 and 4 of the Notes to Financial Statements.

Long-Term Debt: Colorado Revised Statutes provide for a general obligation debt limit of 1.5% of assessed valuation. The 2023 assessed valuation was \$11,458,656.

At December 31, 2023, the City of Rocky Ford had the following outstanding long-term debt:

1. \$149,400 in estimated closure and post closure care costs for the landfill operated by Otero County Landfill Inc.;
2. \$37,579 remaining balance on a \$109,079 loan payable to the Colorado Department of Local Affairs used to finance a waste-water lift station at the Arkansas Valley Fairgrounds and a chlorination and de-chlorination waste-water treatment facility in 2008;
3. \$2,190,228 loan payable semi-annually to Rural Development for financing of Zone 1, Zone 2, Water Treatment Plant & Water Tank improvements in 2011.
4. \$736,438 lease payable to U.S. Bancorp Government Leasing and Financing, Inc., for professional services and the acquisition of equipment for energy and water conservation measures.
5. \$739,843 loan payable to Colorado Water Resources and Power Development Authority with a 0% interest rate for system upgrades in the Sewer Fund.
6. \$401,218 loan payable to Colorado Water Resources and Power Development Authority with a 0% interest rate for system upgrades in the Sewer Fund.
7. \$97,105 lease payable to Midland States Bank, for the purchase of a 2021 Kenworth T370 trash truck.
8. \$37,619 lease payable for various right-to-use assets with an incremental borrowing rate of 3.75%.

Economic Factors and Next Year's Budgets and Rates

The 2024 budget reflects an increase in the General Fund revenues and expenditures. Other factors potentially affecting the 2024 budget is the increase in minimum wage, the increase in fuel and utility costs, and the change in usage of water in 2024 verse 2023; which affects the revenues received in Enterprise Funds.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Manager, 203 S. Main Street, Rocky Ford, CO 81067.

BASIC FINANCIAL STATEMENTS

CITY OF ROCKY FORD, COLORADO

STATEMENT OF NET POSITION

DECEMBER 31, 2023

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL
	ACTIVITIES	ACTIVITIES	
ASSETS			
CASH OR EQUIVALENTS	\$ 242,046	\$ 3,768,618	\$ 4,010,664
RECEIVABLES - NET:			
ACCOUNTS / OTHER	651,095	327,389	978,484
GRANTS	37,500	-	37,500
PROPERTY TAXES	256,000	-	256,000
PREPAID EXPENSES	-	18,486	18,486
INVENTORIES	-	77,655	77,655
DUE FROM OTHER ENTITIES	26,539	-	26,539
PENSION FORFEITURE ACCOUNTS	58,013	-	58,013
RESTRICTED ASSETS	45,743	636,222	681,965
NET PENSION ASSET	10,603	-	10,603
CAPITAL ASSETS:			
LAND	361,407	-	361,407
BUILDINGS	4,401,067	-	4,401,067
SYSTEMS AND EQUIPMENT	-	24,555,280	24,555,280
IMPROVEMENTS	4,920,905	-	4,920,905
EQUIPMENT	3,127,100	-	3,127,100
CONSTRUCTION IN PROGRESS	5,338,460	-	5,338,460
ACCUMULATED DEPRECIATION	(6,524,639)	(14,890,411)	(21,415,050)
TOTAL ASSETS	12,951,839	14,493,239	27,445,078
DEFERRED OUTFLOWS OF RESOURCES			
PENSION RELATED	24,831	-	24,831
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 12,976,670	\$ 14,493,239	\$ 27,469,909
LIABILITIES			
ACCOUNTS PAYABLE	\$ 6,151	\$ 9,203	\$ 15,354
ACCRUED SALARIES AND BENEFITS	113,407	98,607	212,014
ACCRUED EXPENSES	88,704	21,447	110,151
UNEARNED INCOME	65,323	-	65,323
CUSTOMERS DEPOSITS	-	139,151	139,151
NON CURRENT LIABILITIES:			
DUE WITHIN ONE YEAR	75,603	351,800	427,403
DUE IN MORE THAN ONE YEAR	235,975	3,726,052	3,962,027
TOTAL LIABILITIES	585,163	4,346,260	4,931,423
DEFERRED INFLOWS OF RESOURCES			
PENSION RELATED	12,012	-	12,012
DEFERRED REVENUES - PROPERTY TAXES	256,000	-	256,000
TOTAL DEFERRED INFLOWS OF RESOURCES	268,012	-	268,012
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	11,312,722	5,736,419	17,049,141
RESTRICTED FOR:			
OPERATIONS AND MAINTENANCE	-	186,600	186,600
FUTURE EXPENDITURES	38,059	786,908	824,967
CONSERVATION TRUST	40,633	-	40,633
EMERGENCIES - TABOR	149,400	-	149,400
UNRESTRICTED	582,681	3,437,052	4,019,733
TOTAL NET POSITION	12,123,495	10,146,979	22,270,474
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 12,976,670	\$ 14,493,239	\$ 27,469,909

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF ROCKY FORD, COLORADO
 STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2023

FUNCTIONS/PROGRAMS	PROGRAM REVENUE:				NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING		GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT BUSINESS-TYPE ACTIVITIES	TOTAL
			GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS			
FUNCTIONS/PROGRAMS							
GOVERNMENTAL ACTIVITIES:							
GENERAL GOVERNMENT	\$ 582,595	\$ 2,828	\$ 416,524	\$ -	\$ (163,243)	\$ -	\$ (163,243)
PUBLIC SAFETY	2,975,585	1,242,193	-	42,500	(1,690,892)	-	(1,690,892)
PUBLIC WORKS	674,494	37,255	170,285	-	(466,954)	-	(466,954)
HEALTH AND WELFARE	123,671	21,100	-	-	(102,571)	-	(102,571)
CULTURE AND RECREATION	945,448	138,331	54,065	155,490	(597,562)	-	(597,562)
TOTAL GOVERNMENTAL ACTIVITIES	5,301,793	1,441,707	640,874	197,990	(3,021,222)	-	(3,021,222)
BUSINESS-TYPE ACTIVITIES:							
WATER	1,454,664	1,324,977	-	-	-	(129,687)	(129,687)
SEWER	933,453	1,055,477	-	-	-	122,024	122,024
SOLID WASTE DISPOSAL	608,402	692,885	-	-	-	84,483	84,483
TOTAL BUSINESS-TYPE ACTIVITIES	2,996,519	3,073,339	-	-	-	76,820	76,820
TOTAL PRIMARY GOVERNMENT	\$ 8,298,312	\$ 4,515,046	\$ 640,874	\$ 197,990	(3,021,222)	76,820	(2,944,402)
GENERAL REVENUES							
PROPERTY TAXES					295,333	-	295,333
SALES TAXES					1,891,405	-	1,891,405
FRANCHISE TAXES					180,272	-	180,272
OTHER TAXES LICENSES AND FINES					339,437	-	339,437
CONTRIBUTIONS					7,500	-	7,500
PENSION					108,942	-	108,942
OTHER					362,995	45,659	408,654
TRANSFERS					27,309	(27,309)	-
SPECIAL ITEM					-	80,100	80,100
TOTAL GENERAL REVENUES, TRANSFERS AND SPECIAL ITEM					3,213,193	98,450	3,311,643
CHANGE IN NET POSITION					191,971	175,270	367,241
NET POSITION JANUARY 1					11,931,524	9,971,709	21,903,233
NET POSITION DECEMBER 31					\$ 12,123,495	\$ 10,146,979	\$ 22,270,474

CITY OF ROCKY FORD, COLORADO

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2023

	GENERAL	CAPITAL IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
CASH OR EQUIVALENTS	\$ 196,185	\$ -	\$ 45,861	\$ 242,046
RESTRICTED ASSETS	45,743	-	-	45,743
RECEIVABLES:				
PROPERTY TAXES	256,000	-	-	256,000
GRANTS	37,500	-	-	37,500
OTHER	574,613	76,482	-	651,095
DUE FROM OTHER ENTITIES	-	-	26,539	26,539
TOTAL ASSETS	\$ 1,110,041	\$ 76,482	\$ 72,400	\$ 1,258,923
LIABILITIES				
ACCOUNTS PAYABLE	\$ 4,838	\$ -	\$ 1,313	\$ 6,151
ACCRUED EXPENSES	85,730	-	2,974	88,704
DUE TO (FROM) OTHER FUNDS	(62,541)	38,423	24,118	-
UNEARNED REVENUE	65,323	-	-	65,323
TOTAL LIABILITIES	93,350	38,423	28,405	160,178
DEFERRED INFLOWS OF RESOURCES				
DEFERRED REVENUES - PROPERTY TAXES	256,000	-	-	256,000
FUND BALANCE				
RESTRICTED FOR				
EMERGENCIES - TABOR	149,400	-	-	149,400
FUTURE EXPENDITURES	-	38,059	-	38,059
CONSERVATION TRUST	-	-	40,633	40,633
COMMITTED	-	-	5,228	5,228
UNASSIGNED	611,291	-	(1,866)	609,425
TOTAL FUND BALANCE	760,691	38,059	43,995	842,745
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,110,041	\$ 76,482	\$ 72,400	\$ 1,258,923

CITY OF ROCKY FORD, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
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 BALANCES - GOVERNMENTAL FUNDS		\$ 842,745
ASSETS NOT AVAILABLE FOR CURRENT PERIOD EXPENDITURES AND THEREFORE ARE NOT REPORTED IN FUNDS		-
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN FUNDS.		
THE COST OF CAPITAL ASSETS IS	\$ 18,148,939	
ACCUMULATED DEPRECIATION IS	<u>(6,524,639)</u>	
		11,624,300
PAYMENTS WHICH REFLECT COSTS APPLICABLE TO FUTURE ACCOUNTING PERIODS REQUIRE THE USE OF CURRENT FINANCIAL RESOURCES AND THEREFORE ARE REPORTED AS EXPENDITURES IN GOVERNMENTAL FUNDS.		
NET PENSION ASSETS	10,603	
DEFERRED OUTFLOWS - PENSION RELATED AMOUNTS	<u>24,831</u>	
		35,434
PENSION FUNDS FORFEITURE ACCOUNTS		58,013
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS.		
LONG TERM LEASES	(311,578)	
COMPENSATED ABSENCES	(113,407)	
DEFERRED INFLOWS - PENSION RELATED AMOUNTS	(12,012)	
NET PENSION LIABILITIES	<u>-</u>	
		<u>(436,997)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 12,123,495</u>

CITY OF ROCKY FORD, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2023

	GENERAL	CAPITAL IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
TAXES	\$ 2,220,379	\$ 472,851	\$ -	\$ 2,693,230
LICENSES AND PERMITS	18,083	-	-	18,083
INTERGOVERNMENTAL	189,117	-	54,065	243,182
CHARGES FOR SERVICES	1,368,646	-	70,061	1,438,707
FINES	9,373	-	-	9,373
GRANTS	598,682	-	-	598,682
MISCELLANEOUS	262,859	-	93,770	356,629
TOTAL REVENUES	4,667,139	472,851	217,896	5,357,886
EXPENDITURES				
GENERAL GOVERNMENT	192,674	-	-	192,674
PUBLIC SAFETY	3,107,055	-	-	3,107,055
PUBLIC WORKS	449,769	520,055	-	969,824
HEALTH AND WELFARE	121,451	-	-	121,451
CULTURE AND RECREATION	709,799	-	144,975	854,774
GENERAL	229,154	-	162,953	392,107
TOTAL EXPENDITURES	4,809,902	520,055	307,928	5,637,885
REVENUES OVER (UNDER) EXPENDITURES	(142,763)	(47,204)	(90,032)	(279,999)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	27,309	-	170,072	197,381
TRANSFERS OUT	(170,072)	-	-	(170,072)
CONTRIBUTIONS	7,500	-	-	7,500
TOTAL OTHER FINANCING SOURCES (USES)	(135,263)	-	170,072	34,809
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(278,026)	(47,204)	80,040	(245,190)
FUND BALANCE JANUARY 1	1,038,717	85,263	(36,045)	1,087,935
FUND BALANCE DECEMBER 31	\$ 760,691	\$ 38,059	\$ 43,995	\$ 842,745

CITY OF ROCKY FORD, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
ARE DIFFERENT BECAUSE:

NET CHANGE IN FUND BALANCE		\$	(245,190)
REVENUES IN THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES THAT DO NOT PROVIDE CURRENT FINANCIAL RESOURCES ARE NOT REPORTED AS REVENUES IN THE FUNDS			
ACCOUNTS RECEIVABLE			(14,239)
GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES. HOWEVER, IN THE STATEMENT OF ACTIVITIES THE COST OF THOSE ASSETS IS ALLOCATED OVER THEIR ESTIMATED USEFUL LIVES AND REPORTED AS DEPRECIATION EXPENSE. THIS IS THE AMOUNT BY WHICH CAPITAL OUTLAY EXCEEDED DEPRECIATION IN THE CURRENT PERIOD.			
CAPITAL OUTLAY		\$	774,380
DEPRECIATION AND AMORTIZATION EXPENSE			<u>(525,448)</u>
			248,932
CAPITAL LEASE PAYMENTS ARE REPORTED AS EXPENDITURES IN THE GOVERNMENTAL FUNDS BUT NOT REPORTED AS EXPENSES IN THE STATEMENT OF ACTIVITIES			
LEASE PAYMENTS			78,661
SOME EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES DO NOT REQUIRE THE USE OF CURRENT FINANCIAL RESOURCES AND THEREFORE, ARE NOT REPORTED AS EXPENDITURES IN THE GOVERNMENTAL FUNDS			
COMPENSATED ABSENCES			8,499
PENSION RELATED AMOUNTS			<u>108,942</u>
			117,441
PENSION FUND FORFEITURES			<u>6,366</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$	<u><u>191,971</u></u>

CITY OF ROCKY FORD, COLORADO

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2023

	WATER	SEWER	SOLID WASTE DISPOSAL	TOTAL
CURRENT ASSETS				
CASH OR EQUIVALENTS	\$ 1,615,145	\$ 1,303,874	\$ 849,599	\$ 3,768,618
ACCOUNTS RECEIVABLE - CUSTOMERS (NET)	149,984	104,455	72,950	327,389
PREPAID EXPENSES	18,486	-	-	18,486
INVENTORIES	75,120	2,535	-	77,655
TOTAL CURRENT ASSETS	<u>1,858,735</u>	<u>1,410,864</u>	<u>922,549</u>	<u>4,192,148</u>
RESTRICTED ASSETS				
RESTRICTED CASH	636,222	-	-	636,222
PROPERTY AND EQUIPMENT- AT COST				
SYSTEM AND EQUIPMENT	17,550,186	5,986,969	1,018,125	24,555,280
ACCUMULATED DEPRECIATION	(10,959,666)	(3,118,998)	(811,747)	(14,890,411)
NET PROPERTY AND EQUIPMENT	<u>6,590,520</u>	<u>2,867,971</u>	<u>206,378</u>	<u>9,664,869</u>
TOTAL ASSETS	<u>\$ 9,085,477</u>	<u>\$ 4,278,835</u>	<u>\$ 1,128,927</u>	<u>\$ 14,493,239</u>
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	\$ 7,531	\$ 524	\$ 1,148	\$ 9,203
ACCRUED SALARIES AND BENEFITS	33,366	34,777	30,464	98,607
ACCRUED INTEREST	20,477	618	352	21,447
BONDS PAYABLE - CURRENT MATURITY	55,004	-	-	55,004
LOANS PAYABLE - CURRENT MATURITY	-	119,568	-	119,568
LEASES PAYABLE - CURRENT MATURITY	105,836	-	56,452	162,288
ACCRUED LANDFILL CLOSURE - CURRENT PORTION	-	-	14,940	14,940
TOTAL CURRENT LIABILITIES	<u>222,214</u>	<u>155,487</u>	<u>103,356</u>	<u>481,057</u>
TERM LIABILITIES				
BONDS PAYABLE	2,135,224	-	-	2,135,224
LOANS PAYABLE	-	1,059,072	-	1,059,072
LEASES PAYABLE	356,643	-	40,653	397,296
ACCRUED CLOSURE LANDFILL COSTS	-	-	134,460	134,460
TOTAL TERM LIABILITIES	<u>2,491,867</u>	<u>1,059,072</u>	<u>175,113</u>	<u>3,726,052</u>
OTHER LIABILITIES				
CUSTOMER DEPOSITS	139,151	-	-	139,151
TOTAL LIABILITIES	<u>2,853,232</u>	<u>1,214,559</u>	<u>278,469</u>	<u>4,346,260</u>
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	3,937,814	1,689,332	109,273	5,736,419
RESTRICTED FOR:				
OPERATIONS AND MAINTENANCE	-	186,600	-	186,600
FUTURE EXPENDITURES	735,908	-	51,000	786,908
UNRESTRICTED	1,558,523	1,188,344	690,185	3,437,052
TOTAL NET POSITION	<u>6,232,245</u>	<u>3,064,276</u>	<u>850,458</u>	<u>10,146,979</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 9,085,477</u>	<u>\$ 4,278,835</u>	<u>\$ 1,128,927</u>	<u>\$ 14,493,239</u>

CITY OF ROCKY FORD, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2023

	WATER	SEWER	SOLID WASTE DISPOSAL	TOTAL
OPERATING REVENUES				
CHARGES FOR SERVICES	\$ 920,677	\$ 947,288	\$ 692,885	\$ 2,560,850
SPECIAL ASSESSMENTS	404,300	108,189	-	512,489
TOTAL OPERATING REVENUES	1,324,977	1,055,477	692,885	3,073,339
OPERATING EXPENSES				
PERSONAL SERVICES, MATERIALS, SUPPLIES	928,153	746,233	555,183	2,229,569
DEPRECIATION	425,602	185,123	49,942	660,667
TOTAL OPERATING EXPENSES	1,353,755	931,356	605,125	2,890,236
OPERATING INCOME (LOSS)	(28,778)	124,121	87,760	183,103
NONOPERATING REVENUES (EXPENSE)				
INTEREST AND RENT INCOME	30,184	2,242	-	32,426
INTEREST EXPENSE	(100,909)	(2,097)	(3,277)	(106,283)
NONRECURRING REVENUE	11,608	-	1,625	13,233
TOTAL NONOPERATING REVENUES (EXPENSES)	(59,117)	145	(1,652)	(60,624)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS, TRANSFERS, AND SPECIAL ITEM	(87,895)	124,266	86,108	122,479
CAPITAL CONTRIBUTIONS	-	-	-	-
TRANSFERS	(27,309)	-	-	(27,309)
SPECIAL ITEM	-	-	80,100	80,100
CHANGE IN NET POSITION	(115,204)	124,266	166,208	175,270
NET POSITION JANUARY 1	6,347,449	2,940,010	684,250	9,971,709
NET POSITION DECEMBER 31	\$ 6,232,245	\$ 3,064,276	\$ 850,458	\$ 10,146,979

CITY OF ROCKY FORD, COLORADO

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

	WATER	SEWER	SOLID WASTE DISPOSAL	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
CASH RECEIVED FROM CUSTOMERS	\$ 1,319,298	\$ 1,075,902	\$ 704,546	\$ 3,099,746
CASH PAYMENTS TO SUPPLIERS OF GOODS OR SERVICES	(465,332)	(408,819)	(279,358)	(1,153,509)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(449,504)	(336,435)	(289,643)	(1,075,582)
NET CASH PROVIDED BY OPERATING ACTIVITIES	404,462	330,648	135,545	870,655
CASH FLOWS FROM NONCAPITAL AND OTHER FINANCING ACTIVITIES				
TRANSFERS	(27,309)	-	-	(27,309)
CUSTOMER DEPOSITS	1,680	-	-	1,680
MISCELLANEOUS INCOME	11,608	2,242	1,625	15,475
NET CASH PROVIDED BY NONCAPITAL AND OTHER FINANCING ACTIVITIES	(14,021)	2,242	1,625	(10,154)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
CAPITAL CONTRIBUTED	-	-	-	-
ACQUISITION OF CAPITAL ASSETS	-	-	-	-
PRINCIPAL PAID ON TERM LIABILITIES	(152,919)	(119,243)	(46,320)	(318,482)
INTEREST PAID	(101,406)	(2,203)	(3,445)	(107,054)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(254,325)	(121,446)	(49,765)	(425,536)
CASH FLOWS FROM INVESTING ACTIVITIES				
INTEREST INCOME AND OTHER	30,184	-	-	30,184
NET CASH USED FOR INVESTING ACTIVITIES	30,184	-	-	30,184
NET CHANGE IN CASH AND CASH EQUIVALENTS	166,300	211,444	87,405	465,149
CASH AND CASH EQUIVALENTS BEGINNING	2,085,067	1,092,430	762,194	3,939,691
CASH AND CASH EQUIVALENTS ENDING	\$ 2,251,367	\$ 1,303,874	\$ 849,599	\$ 4,404,840
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
OPERATING INCOME (LOSS)	\$ (28,778)	\$ 124,121	\$ 87,760	\$ 183,103
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION	425,602	185,123	49,942	660,667
CHANGE IN ASSETS AND LIABILITIES				
ACCOUNTS RECEIVABLE	(5,679)	20,425	11,661	26,407
INVENTORIES AND PREPAIDS	13,409	1,950	-	15,359
ACCOUNTS PAYABLE	2,549	(3,849)	(16,245)	(17,545)
ACCRUED SALARIES AND BENEFITS	(2,641)	2,878	2,427	2,664
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 404,462	\$ 330,648	\$ 135,545	\$ 870,655

SEE NOTES TO FINANCIAL STATEMENTS

PAGE 17

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The City of Rocky Ford, Colorado (the "City") is a Statutory City governed by an elected mayor and council, which are governed by state statutes and regulations. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Rocky Ford (the primary government) and its component units, if applicable.

The City is not included in any other governmental "reporting entity", as required by accounting principles generally accepted in the United States of America; these basic financial statements present the City (the primary government) and its component units, if applicable. Currently no component units have been included in the City's reporting entity because of a lack of significant operational or financial relationships with the City.

Related Organizations:

Rocky Ford Housing Authority

A five-member board appointed by the Rocky Ford City Council governs the Rocky Ford Housing Authority. The Authority provides housing to certain qualified residents and is principally funded through Federal grants and rental charges. Because these appointments are administrative in nature and control over the organization is at the Federal Government level, the Authority is treated as a related organization of the City rather than a component unit.

Joint Venture:

Otero County Landfill, Inc.

The City of Rocky Ford is a participant along with six other entities within the County in a joint venture known as the Otero County Landfill, Inc. As a participant, the City is responsible for a portion of closure and post-closure costs of the landfill. As of December 31, 2023, the City's share of the closure and post-closure costs are estimated at \$149,400 or approximately 8.48% of the total. A complete financial report may be obtained from the administrative offices of Otero County. The City also incurred additional costs of approximately \$101,000 for services provided by Otero County Landfill, Inc.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General and Capital Improvement Funds) and individual enterprise funds (Water Utility, Sewer Utility and Solid Waste Disposal Utility Funds) are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property and specific ownership taxes, sales taxes, interest revenues, and charges for services are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grants and entitlement awards are recorded as revenue when earned. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

General Fund – The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those which are required to be accounted for in another fund. Major revenue sources include sales taxes, property taxes, franchise and other taxes, charges for services, and intergovernmental revenue. Primary expenditures include general government, public safety (fire and police), public works, health and welfare, culture and recreation, and general expenditures.

Capital Improvement Fund – Capital improvement fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service.

The City reports the following major proprietary funds:

Water Utility Fund - Accounts for the operations of the City's water utility. Activities of the fund include administration, operation and maintenance, treatment, and distribution of the water system, along with accumulation of resources for the payment of principal and interest on long-term debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

Sewer Utility Fund - Accounts for the operations of the City's sewer utility. Activities of the fund include administration, operation and maintenance, treatment, and collection of the waste water system, along with accumulation of resources for the payment of principal and interest on long-term debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

Solid Waste Disposal Utility Fund - Accounts for the operations of the City's solid waste disposal utility. Activities of the fund include administration, operation and maintenance, and collection of trash related to the solid waste disposal system. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary.

The proprietary funds account for transactions that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the costs and expenses of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through charges. The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the funds principal ongoing operations. The principal operating revenues of the funds are charges to customers for sales and service. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

STEWARDSHIP

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

Prior to October 15, the City Finance Officer submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STEWARDSHIP (Continued)

Public hearings are conducted to obtain taxpayer comments. Prior to December 15, the budget is legally enacted through passage of an ordinance.

Revisions that alter total expenditures of any kind generally must be approved by City Council. Budget amounts in the accompanying financial statements include revisions to the original approval. Appropriations lapse at year end and any open purchase item must be reappropriated in the following year.

All budget amounts presented in the accompanying supplemental information reflect the final budgets.

Expenditures may not legally exceed appropriations at the fund level. For the year ended December 31, 2023, expenditures exceeded appropriations in the General Fund, Capital Improvement Fund, Community Development Fund, and Grand Theater Fund.

ENCUMBRANCES

Outstanding encumbrances represent a commitment for the estimated amount of expenditures, which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year (December 31). Lapsed encumbrances are then reviewed by department heads to determine those which will remain canceled and those, which will be reinstated and paid from appropriations for the following year. Encumbrances are, therefore, not considered expenditures until an actual liability is incurred.

CASH AND CASH EQUIVALENTS

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments held in banks. For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of six months or less when purchased to be cash equivalents.

ACCOUNTS RECEIVABLE

The City grants credit terms in the normal course of business to its utility customers. Concentrations of credit risk with respect to accounts receivables which are uncollectible is limited due to customer deposits and account monitoring procedures which are utilized to minimize risk of loss. The City recognized amounts due from utility customers as of year-end but not billed due to cycle billings. Recognition is based upon a direct ratio of days in the current period to the total days in each individual billing cycle.

INVENTORIES

The inventories of the General Fund are accounted for as expenditures at the time they are purchased. Consumable supplies on hand are not recognized. The inventories of the Proprietary Funds are valued at cost using the first-in, first-out method.

WATER INVENTORY

The water inventory is carried at the lower of cost or market, with cost determined using the expenses involved in acquiring water held in storage.

CAPITAL ASSETS

Capital assets which include property, plant, equipment and current infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Infrastructure assets have been capitalized on a prospective basis, from 2004. The City defines capital assets as assets with an initial life in excess of two years and an individual cost of \$5,000 or more. The valuation of acquisitions since 1969 is at cost. Acquisitions prior to 1969 are either at cost, if determinable, or at estimated cost.

Expenditures for maintenance and repairs are charged to expenses as incurred; expenditures for renewals and betterments are generally capitalized. Gains or losses due to disposal are charged or credited to income.

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS (Continued)

Depreciation is determined using the straight-line method based on the estimated useful lives of the assets as follows:

Systems	5 - 50	Years
Equipment	4 - 15	Years
Buildings	25 - 50	Years

LEASED ASSETS – RIGHT-TO-USE ASSETS

Leased assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service.

Leased assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the District has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Leased assets are reported as equipment under capital assets and the lease liabilities are reported with non-current liabilities on the statement of net position.

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. The City has one item that qualifies for reporting in this category which is for pension related amounts.

Pension Related - Amounts reported as deferred outflows of resources include the following:

Difference Between Expected and Actual Experience	\$ 5,547
Changes of Assumptions or Other Inputs	1,330
Net Difference Between Projected and Actual Investment	
Earnings on Pension Plan Investments	17,954
Contributions Made Subsequent to the Measurement Date	-
Total Pension Related Deferred Outflows	\$ 24,831

More information on pension related items is included in Note 8.

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. The City has two types of items that qualify for reporting in this category.

Property Taxes - The item, property taxes levied for subsequent years, arises only under a modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected.

Pension Related - Amounts reported as deferred inflows of resources include the following:

Difference Between Expected and Actual Experience	\$ 1,762
Changes of Assumptions or Other Inputs	-
Net Difference Between Projected and Actual Investment	
Earnings on Pension Plan Investments	10,250
Total Pension Related Deferred Inflows	\$ 12,012

More information on pension related items is included in Note 8.

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay are accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and will be liquidated with resources of the general fund.

LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt is reported as other financing sources while discounts on issuances are reported as other financing uses. Issuance costs are recorded as debt service expenditures.

Net pension liabilities and assets, associated with the Old Hire Police Pension Fund and Volunteer Fire Department Pension Fund administered by FPPA, represent the City's total pension liabilities less the fiduciary net position. Amounts have been determined using the economic resources measurement focus and the accrual basis of accounting.

UNEARNED REVENUE

Unearned revenues represent assets received (measurable) but not yet earned. In the statement of net position, unearned revenues represent grant funds received, but not yet earned as the related service have not yet been provided.

NET POSITION / FUND BALANCE

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

Net investment in capital assets – This amount consists of capital assets, net of accumulated depreciation, reduced by outstanding debt, if applicable, attributed to the acquisition, construction, or improvement of those assets.

Restricted net position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted net position – This amount is all net position that do not meet the definition of "net investment in capital assets" or "restricted net position"

GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or required to be maintained intact;

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;

Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION / FUND BALANCE (Continued)

The Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established through the adoption or amendment of the budget as intended for specific purposes.

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

The Community Development Fund had a deficit unassigned fund balances of \$2,974, respectively, at December 31, 2023.

PENSION PLANS

The employees of the City are covered by a variety of pension plans. Fire and police personnel who were hired prior to April 1978, and elected to do so, are covered by a defined benefit plan. All other fire and police personnel are covered by a defined contribution plan. The City also has a defined contribution plan covering substantially all full-time employees.

The City's policy is to fund defined contribution plans currently. More information on pension plans is included in Note 8.

INTERFUND TRANSACTIONS

Interfund transactions 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 a reduction of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ACCOUNTING PRINCIPLES

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

NOTE -2 DEPOSITS

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 December 31, 2023, the carrying value of cash deposits was \$4,692,629 and the bank balances were \$4,885,410 of which \$623,340 was covered by federal deposit insurance and the remaining balance was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

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

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -3 RESTRICTED ASSETS

Governmental Funds - The cash is restricted for future capital improvements related to streets and gutters.

Proprietary Funds - The cash is restricted for future major repairs and the related debt service costs.

NOTE -4 CAPITAL ASSETS

A summary of the various fund types' property and equipment follows:

GOVERNMENTAL ACTIVITIES:

	Balances January 1, 2023	Additions	Deletions	Balances December 31, 2023
Capital assets not being depreciated:				
Construction in Process	\$ 5,338,460	\$ -	\$ -	\$ 5,338,460
Land	<u>361,407</u>	<u>-</u>	<u>-</u>	<u>361,407</u>
	<u>5,699,867</u>	<u>-</u>	<u>-</u>	<u>5,699,867</u>
Capital assets being depreciated:				
Buildings	4,401,067	-	-	4,401,067
Improvements	4,410,767	510,138	-	4,920,905
Equipment	<u>2,762,606</u>	<u>264,242</u>	<u>-</u>	<u>3,026,848</u>
	<u>11,574,440</u>	<u>774,380</u>	<u>-</u>	<u>12,348,820</u>
Less accumulated depreciation:				
Buildings	(2,238,412)	(150,491)	-	(2,388,903)
Improvements	(1,763,426)	(192,460)	-	(1,955,886)
Equipment	<u>(1,951,513)</u>	<u>(164,422)</u>	<u>-</u>	<u>(2,115,935)</u>
	<u>(5,953,351)</u>	<u>(507,373)</u>	<u>-</u>	<u>(6,460,724)</u>
Leased assets being amortized:				
Equipment	<u>100,252</u>	<u>-</u>	<u>-</u>	<u>100,252</u>
Less accumulated amortization:				
Equipment	<u>(45,840)</u>	<u>(18,075)</u>	<u>-</u>	<u>(63,915)</u>
Governmental Activities Net Capital Assets	<u>\$11,375,368</u>	<u>\$ 248,932</u>	<u>\$ -</u>	<u>\$11,624,300</u>

BUSINESS-TYPE ACTIVITIES:

Capital assets not being depreciated:				
Construction in Process	\$ 89,810	\$ -	\$ -	\$ 89,810
Capital assets being depreciated:				
Systems and Equipment	<u>24,465,470</u>	<u>-</u>	<u>-</u>	<u>24,465,470</u>
	24,555,280	-	-	24,555,280
Less Accumulated Depreciation				
	<u>(14,229,744)</u>	<u>(660,667)</u>	<u>-</u>	<u>(14,890,411)</u>
Business-type Activities Net Capital Assets	<u>\$ 10,325,536</u>	<u>\$ (660,667)</u>	<u>\$ -</u>	<u>\$ 9,664,869</u>

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -4 CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 63,902
Public Safety	96,077
Public Works	231,833
Health	2,220
Culture and Recreation	<u>131,416</u>
Total Governmental Activities Depreciation	<u>\$ 525,448</u>
Business-Type Activities	
Water	\$ 425,602
Sewer	185,123
Solid Waste Disposal	<u>49,942</u>
Total Business-Type Activities Depreciation	<u>\$ 660,667</u>

NOTE -5 PROPERTY TAXES AND DEFERRED REVENUES

Property taxes are levied on November 15 and attached as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. The County bills and collects property taxes for all taxing districts in the County. The City's share of property tax receipts collected by the County are remitted to the City in the subsequent month. Property taxes are reported as a receivable and a deferred revenue when levied and as a revenue when due for collection in the following year.

NOTE -6 PENSION FORFEITURE ACCOUNTS

These accounts represent employee forfeiture accounts in defined contribution plans that may be used by the City for appropriate expenditures of the fire and police departments upon approval by the trustees of the pension funds.

NOTE -7 CHANGES IN LONG-TERM OBLIGATIONS

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

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>	<u>CURRENT PORTION</u>
<u>Governmental Activities:</u>					
Lease Payable 1	\$ 333,022	\$ -	\$ (59,063)	\$ 273,959	\$ 62,666
Lease Payable 2 (Right-to- Use Asset)	57,217	-	(19,598)	37,619	12,937
Net Pension Liability	<u>235,736</u>	<u>-</u>	<u>(235,736)</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 625,975</u>	<u>\$ -</u>	<u>\$ (314,397)</u>	<u>\$ 311,578</u>	<u>\$ 75,603</u>
<u>Business-Type Activities:</u>					
Revenue Bonds-Water	\$2,243,396	-	\$ (53,168)	\$2,190,228	\$ 55,004
Lease Payable 1-Water	562,230	-	(99,751)	462,479	105,836
Loan Payable 1-Sewer	44,056	-	(6,477)	37,579	6,802
Loan Payable 2-Sewer	817,721	-	(77,878)	739,843	77,878
Loan Payable 3-Sewer	436,106	-	(34,888)	401,218	34,888
Lease Payable-Solid Waste Disposal	143,425	-	(46,320)	97,105	56,452
Estimated Closure & Post-Closure Costs	<u>229,500</u>	<u>-</u>	<u>(80,100)</u>	<u>149,400</u>	<u>14,940</u>
Totals	<u>\$4,476,434</u>	<u>\$ -</u>	<u>\$ (398,582)</u>	<u>\$4,077,852</u>	<u>\$ 351,800</u>

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -7 CHANGES IN LONG-TERM OBLIGATIONS (Continued)

All outstanding notes from direct borrowings contain an event of default that changes the timing of repayment of outstanding amounts to become immediately due if the City is unable to make payment. The City's outstanding notes from direct borrowings, as applicable, contains a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

LEASE PAYABLE 1 - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

The City entered into a Master Tax-Exempt Lease/Purchase Agreement with U.S. Bancorp Government Leasing and Financing, Inc., on March 15, 2012, in the amount of \$2,033,000 for professional services and the acquisition of equipment for energy and water conservation measures. The lease is payable in varying annual installments of principal and interest from the Water Utility Fund (63%) and the Governmental Funds (37%) at 3.15% interest per annum beginning March 15, 2013 and maturing March 15, 2027. The lease is collateralized by a security interest constituting a first lien on the equipment. The net book value of the equipment as of December 31, 2023 is \$1,126,884 of which \$318,213 was reported as a capital asset in Governmental Activities and \$808,671 was reported in the Water Utility Fund in Business-Type Activities.

Annual requirements of the lease as of December 31, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 168,502	\$ 23,235	\$ 191,737
2025	178,611	17,920	196,531
2026	189,160	12,284	201,444
2027	<u>200,165</u>	<u>6,316</u>	<u>206,481</u>
Total	<u>\$ 736,438</u>	<u>\$ 59,755</u>	<u>\$ 796,193</u>

The total lease payable due is \$736,438 as of December 31, 2023, of which \$273,959 was reported as a long-term obligation in Governmental Activities and \$462,479 was reported in the Water Utility Fund in Business-Type Activities.

LEASE PAYABLE 2 (RIGHT-TO-USE-ASSETS)

The City, as a lessee, has entered into lease agreements involving equipment with lease terms of 5 years. The total costs of these right-to-use lease assets are recorded at \$100,252, less accumulated amortization of \$63,915. The City has determined that as of December 31, 2023, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments under lease agreements as of December 31, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 12,937	\$ 1,157	\$ 14,094
2025	10,339	749	11,088
2026	10,733	355	11,088
2027	<u>3,610</u>	<u>28</u>	<u>3,638</u>
Total	<u>\$ 37,619</u>	<u>\$ 2,289</u>	<u>\$ 39,908</u>

REVENUE BONDS - WATER

In 2010 the City issued a water revenue bond with an original issue date of October 28, 2010 in the amount of \$2,822,415. The proceeds of the issue were used for water system improvements. The bond payments are due in semi-annual payments of principal and interest in the amount of \$68,416, payable on October 1 and April 1 each year, commencing on April 1, 2011 with the final payment October 1, 2048. The bond is collateralized by a first lien (but not necessarily an exclusive lien) on the Water Utility Fund revenues.

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -7 CHANGES IN LONG-TERM OBLIGATIONS (Continued)

REVENUE BONDS – WATER (Continued)

Annual requirements to amortize water revenue bonds outstanding as of December 31, 2023 are as follows:

<u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	3.75	\$ 55,004	\$ 81,828	\$ 136,832
2025	3.75	57,315	79,517	136,832
2026	3.75	59,484	77,348	136,832
2027	3.75	61,736	75,096	136,832
2028	3.75	63,868	72,964	136,832
2029-2033	3.75	358,406	325,754	684,160
2034-2038	3.75	431,599	252,561	684,160
2039-2043	3.75	519,741	164,419	684,160
2044-2048	3.75	<u>583,075</u>	<u>57,408</u>	<u>640,483</u>
Total		<u>\$2,190,228</u>	<u>\$1,186,895</u>	<u>\$3,377,123</u>

LOAN PAYABLE 1- SEWER

The City in the Sewer Utility Fund entered into an agreement with the Department of Local Affairs on October 21, 2008, in the amount of \$109,079 to provide funding to upgrade the City’s wastewater treatment facility. The loan is payable in 20 annual installments of principal and interest at a rate of 5.00%. The payments begin on September 1, 2009. The loan is not collateralized.

Annual requirements to amortize the loan as of December 31, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 6,802	\$ 1,878	\$ 8,680
2025	7,141	1,539	8,680
2026	7,497	1,183	8,680
2027	7,873	807	8,680
2028	<u>8,266</u>	<u>414</u>	<u>8,680</u>
Total	<u>\$ 37,579</u>	<u>\$ 5,821</u>	<u>\$ 43,400</u>

LOAN PAYABLE 2– SEWER

The City in the Sewer Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$1,557,564 with a 0% interest rate. The loan proceeds were used to finance lagoon and system upgrades and improvements. The loan is payable in semi-annual installments beginning November 1, 2013 and maturing May 1, 2033. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Utility Fund revenues.

Annual requirements to amortize the loan as of December 31, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 77,878	\$ -	\$ 77,878
2025	77,878	-	77,878
2026	77,878	-	77,878
2027	77,878	-	77,878
2028	77,878	-	77,878
2029-2033	<u>350,453</u>	<u>-</u>	<u>350,453</u>
Total	<u>\$ 739,843</u>	<u>\$ -</u>	<u>\$ 739,843</u>

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -7 CHANGES IN LONG-TERM OBLIGATIONS (Continued)

LOAN PAYABLE 3– SEWER

The City in the Sewer Utility Fund entered into a loan agreement and a Governmental Agency Bond Agreement with Colorado Water Resources and Power Development Authority in the amount of \$697,769 with a 0% interest rate. The loan proceeds were used to finance lagoon and system upgrades and improvements. The loan is payable in semi-annual installments beginning November 1, 2015 and maturing May 1, 2035. The loan is collateralized by a first lien (but not necessarily an exclusive lien) on the Sewer Utility Fund revenues.

Annual requirements to amortize the loan as of December 31, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 34,888	\$ -	\$ 34,888
2025	34,888	-	34,888
2026	34,888	-	34,888
2027	34,888	-	34,888
2028	34,888	-	34,888
2029-2033	174,442	-	174,442
2034-2035	<u>52,336</u>	<u>-</u>	<u>52,336</u>
Total	<u>\$ 401,218</u>	<u>\$ -</u>	<u>\$ 401,218</u>

In connection with Loan Payable 2- Sewer and Loan Payable 3- Sewer, the City is subject to various covenants and is required to maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation. As of December 31, 2023 the City was in compliance with all covenants and maintained the required reserve of \$186,600.

LEASE PAYABLE – SOLID WASTE DISPOSAL

The City in the Solid Waste Disposal Utility Fund entered into a lease agreement with Midland States Bank on September 18, 2020 in the amount of \$251,279 to lease a 2021 Kenworth T370 garbage truck and a load master legacy 20yd rear loader. The lease is payable in monthly principal and interest installments of \$4,524 at 3.08% per annum beginning October 18, 2020 with final payment made September 18, 2025. The lease is collateralized by the equipment with a net book value of \$168,566 as of December 31, 2023.

Annual requirements to amortize the loan as of December 31, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 56,452	\$ 2,361	\$ 58,813
2025	<u>40,653</u>	<u>517</u>	<u>41,170</u>
Total	<u>\$ 97,105</u>	<u>\$ 2,878</u>	<u>\$ 99,983</u>

ESTIMATED CLOSURE AND POSTCLOSURE CARE COSTS

In 1995 the City entered into an intergovernmental agreement with Otero County and other municipalities within the County to form Otero County Landfill, Inc. to operate the landfill within the County. The agreement transfers the liability for closure and postclosure costs to this organization. The City and all participating entities are responsible for a portion of the costs based on an average of the population and assessed valuation of each entity to the total of all entities.

Based on the current allocation, the City’s share is approximately 8.48% of the estimated \$1,762,000 in closure and post-closure costs amounting to \$149,400. These amounts are based on estimates of what it would cost to perform all closure and post-closure care in 2023. Actual costs may be higher or lower due to inflation or deflation, changes in technology, or changes in applicable laws or regulations.

The estimated closure and post closure costs decreased from 2022 to 2023 therefore decreasing the City’s allocation by \$80,100 from the prior year which is reported as a special item on the statement of activities and statement of revenues, expenses and changes in net position in the Solid Waste Disposal Utility Fund.

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -7 CHANGES IN LONG-TERM OBLIGATIONS (Continued)

The City is required by state and federal laws and regulations to provide assurance that it can meet the cost of closure and postclosure care. The City has provided assurance by meeting the test requirements of the Colorado Department of Public Health and Environment. The City expects that future inflation costs may need to be covered by charges to future landfill users or other future revenues.

	Manzanola	OTERO #2			Module #3
		Otero #1	Module #1	Module #2	
Percent of capacity	100%	100%	75%	72%	13%
Estimated closure date	2024	Closed	2026	2026	2033
Estimated final Monitoring date	-	2049	-	-	-

NOTE -8 PENSION PLANS

City employees may be covered under one or two of three different pension/defined contribution plans, depending on occupation and date of hire. The different plans are the Volunteer Fire Department Pension Fund, Fire and Police Defined Contribution Plan and the City Retirement Defined Contribution Plan. A description of each plan and selected financial information follows:

OLD HIRE POLICE PENSION FUND – DEFINED BENEFIT PLAN

Plan was closed out in September 2023.

VOLUNTEER FIRE DEPARTMENT PENSION FUND – DEFINED BENEFIT PLAN

Summary of Significant Accounting Policies

Pensions – The City of Rocky Ford participates in the Volunteer Fire Department Pension Fund, an agent multiple-employer defined benefit pension fund administered by the Colorado Fire and Police Pension Association (“FPPA”).

The net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Volunteer Fire Department Pension Fund has 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 - Investments are reported at fair value.

Plan Information

Plan Description – The City, on behalf of certain volunteer fire fighters, contributes to the Volunteer Fire Department Pension Fund which is affiliated with the Colorado Fire and Police Pension Association (FPPA) to administer the funds for the City. Assets of the plan are commingled with numerous separate plans that have been pooled for investment purposes. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of the City of Rocky Ford (Volunteer) Pension Plan.

Plan Membership – Plan membership consists of active members and members who have worked for the City of Rocky Ford at one time, but who are now active at another employer. The number of retirees shown includes those who retired from the City, as well as those who retired from another employer but has service attributed to the City.

The following is a summary of the participants:

Active Members	18
Retirees and Beneficiaries	5
Inactive, Nonretired Members	1
Total	<u>24</u>

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -8 PENSION PLANS (Continued)

Benefits Provided - The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the Board of Directors of the City of Rocky Ford for the Volunteer Fire Department Pension Fund and is as follows:

The Rocky Ford Fire Volunteers Pension Fund provides retirement benefits to Firefighters who have attained both 50 years of age and completed 20 years of service. The retiree shall receive a \$25 per month retirement benefit when fully vested.

Upon death, the surviving spouse receives a monthly pension equal to one half of the monthly pension the Firefighter was entitled to receive prior to death.

Title 31, Article 30 of the Colorado Revised Statutes ("CRS"), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the City of Rocky Ford Volunteer Fire Department Pension Fund. That report may be obtained by writing to: FPPA of Colorado, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111 or by calling FPPA at (303) 770-3772 in the Denver Metro area, or 1-800-332-FPPA (3772) from outside the metro area.

Contributions

The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Plan members and the City are required to contribute at a rate set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership. The contributions are based on an actuarially determined amount recommended by an independent actuary.

The contribution rate for members and the City for the Rocky Ford Volunteer Fire Department Pension Fund is 0% of covered salaries. Contribution was determined as part of the January 1, 2021 actuarial valuation. Total contribution for the year ended December 31, 2023 was \$14,487 and the actuarially determined contribution was \$7,521.

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

This funding policy results in the expectation that the plan's assets will be able to fully pay for promised benefits through at least 2122. The projections are strictly for the purpose of determining the GASB single discount rate and are different from funding projection for the ongoing plan.

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. For the employer's financial reporting purposes, the net pension liability/(asset) and pension expense/(income) should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total pension liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The total pension liability shown in this report is based on an actuarial valuation performed as of January 1, 2023 and a measurement date of December 31, 2022. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2023 and may be used for December 31, 2023 reporting purposes.

Expense and deferred outflow calculations are shown starting with the year ending December 31, 2022, but can be used for the plan sponsor's December 31, 2023 financial reporting. Each reported amount will have a one-year lag so that year end December 31, 2022 can be used for December 31, 2023 plan sponsor reporting.

Actuarial Assumptions

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2021, determines the contribution amounts for 2022 and 2023.

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -8 PENSION PLANS (Continued)

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2022:

- 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 Rates – 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.

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

Long-Term Expected Return on Plan Assets

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

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

Incorporation of Plan Changes

The Total Pension Liability as of December 31, 2022 includes any plan changes through that date. If there were any plan changes effective during the year ending December 31, 2022, the increase in the Total Pension Liability will be reflected in the “Benefit Changes” item as well as the Pension Expense.

Net Pension Liability (Asset)

The net pension liability (asset) was measured at December 31, 2022, the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation dated January 1, 2021, and the City's fiscal year ending date, or reporting date, is December 31, 2023.

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -8 PENSION PLANS (Continued)

Changes in Net Pension Liability (Asset):

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at December 31, 2022	\$ 28,630	\$ 147,741	\$ (119,111)
Change for the year:			
Service Cost	363	-	363
Interest	1,663	-	1,663
Benefit Changes	96,501	-	96,501
Difference between Expected & Actual Experience	6,627	-	6,627
Changes in Assumptions	1,201	-	1,201
Contributions – Employer	-	10,035	(10,035)
Contributions – Member	-	-	-
Net Investment Income	-	(12,112)	12,112
Benefit payments	(10,280)	(10,280)	-
Other Changes	-	4,452	(4,452)
Administrative Expense	-	(4,528)	4,528
Net Changes	96,075	(12,433)	108,508
Balances at December 31, 2023	\$ 124,705	\$ 135,308	\$ (10,603)

Single Discount Rate

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

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

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

Sensitivity of the Net Pension Liability / (Asset) to the Single Discount Rate Assumption

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

	1% Decrease (6.00%)	Current Single Discount Rate Assumption (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 6,766	\$ (10,603)	\$ (24,618)

Pension Plan Fiduciary Net Position

FPPA administers an agent multiple-employer Public Employee Retirement System ("PERS"). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at FPPAco.org. Once in the site, locate the site map at the bottom of the web page and you will find the 'Annual Report' link.

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -8 PENSION PLANS (Continued)

Pension Revenue, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2023; the City recognized pension expense of \$90,179. 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>
Difference between expected and actual experience	\$ 5,547	\$ (1,762)
Assumption Changes	1,330	-
Net difference between projected and actual earnings on pension plan investments	17,954	(10,250)
Contributions subsequent to the measurement date	-	-
Total	\$ 24,831	\$ (12,012)

\$0 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2023:	
2024	\$ 433
2025	1,954
2026	3,486
2027	5,498
2028	1,276
Thereafter	172
Total	\$ 12,819

FIRE AND POLICE – DEFINED CONTRIBUTION PLANS

Plan Description - The City provides pension benefits for all of its full-time Fire and Police employees hired after April 1978 and old hires that chose to switch to the new plan through a defined contribution plan administered by Empower Trust Company, LLC. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The plan requires that both the employee and the City contribute an amount equal to 8 percent of the employee's base salary each month. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after seven years of continuous service. City contributions for and interest forfeited by employees who cease employment before seven years of service are used to reduce the City's current-period contribution requirement.

The City is the trustee of the City of Rocky Ford Fire Department Money Purchase Plan and the City of Rocky Ford Police Department Money Purchase Plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plans.

Funding Policy - The City's total Fire and Police payroll for 2023 was \$955,344 and \$499,261, respectively. The City's contributions to the Fire and Police were calculated using a base salary amount of \$566,927 and \$317,806, respectively. Both City and the covered employees made the required 8 percent contribution (or more), amounting to a total contribution of \$73,695 for the City of Rocky Ford Fire Department Money Purchase Plan and \$38,693 for the City of Rocky Ford Police Department Money Purchase Plan. As of December 31, 2023, the market value of assets held by the plans are \$491,430 for Fire and \$404,819 for Police.

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -8 PENSION PLANS (Continued)

CITY RETIREMENT – DEFINED CONTRIBUTION PLAN

Plan Description - The City provides pension benefits for all its full-time employees through a defined contribution plan administered by Empower Trust Company, LLC. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after attaining age 18 and having been employed one year. The plan entrance dates are January 1 and July 1. The plan requires that the employees contribute 5 percent and the City contribute an amount equal to 5 percent of the employee's base salary each month. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after seven years continuous service. City contributions for, and interest forfeited by, employees who leave employment before seven years of service are used to reduce the City's current-period contribution requirement.

The City is the trustee of the City of Rocky Ford Pension Plan and has the duty of due care that would be required of an ordinary prudent investor, but has no liability for losses under the plan.

Funding Policy - The City's total payroll in fiscal year 2023 was \$1,964,559. The City's contributions were calculated using the base salary amount of \$2,352,309. Both the City and the covered employees made the required contribution amounting to \$106,095. As of December 31, 2023, the market value of assets held was \$856,812.

NOTE -9 NET POSITION

Restricted net position represents net position whose users are subject to constraints that are either 1.) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or 2.) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2023 is as follows:

	Governmental Activities	Business-Type Activities	Total
Operations and Maintenance	\$ -	\$ 186,600	\$ 186,600
Future Expenditures	38,059	786,908	824,967
Conservation Trust	40,633	-	40,633
Emergencies - TABOR	149,400	-	149,400
	\$ 228,092	\$ 973,508	\$ 1,201,600

Restricted for Operations and Maintenance – The City is required to maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation as set forth by the creditor.

Restricted for Future Expenditures – This represents unspent cash received from special assessments in the Water Utility Fund and Sewer Utility Fund. The cash is restricted for future major repairs and the related debt service costs.

Restricted for Conservation Trust – This represents money received from the State of Colorado for parks and open space related projects.

Restricted for Emergencies - TABOR – This represents approximately 3% of the City's 2023 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the City's net position can be used for declared emergencies only and the City must maintain 3% or more of its spending in this restricted account. The City does not believe this restriction meets the definition of a stabilization arrangement under generally accepted accounting principles

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -10 FUND BALANCES

At December 31, 2023, fund balances for governmental funds consist of the following:

	Restricted Fund Balance			Total
	Emergences TABOR	Future Expenditures	Conservation Trust	
General Fund	\$ 149,400	\$ -	\$ -	\$ 149,400
Capital Improvement Fund	-	38,059	-	38,059
Conservation Trust Fund	-	-	40,633	40,633
Total	<u>\$ 149,400</u>	<u>\$ 38,059</u>	<u>\$ 40,633</u>	<u>\$ 228,092</u>

	Committed Fund Balance		
	Community and Economic Development	Future Expenditures	Total
Community Development Fund	\$ -	\$ -	-
Gobin Community Building Fund	-	5,228	5,228
Total	<u>\$ -</u>	<u>\$ 5,228</u>	<u>\$ 5,228</u>

NOTE -11 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

For risks related to property and liability and workers' compensation, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2). The purposes of CIRSA are to provide members defined liability and property coverage 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.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs.

All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the City does not approve budgets nor does it have ability to significantly affect the operations of the unit. The City has not significantly changed its insurance coverage over the past three years, nor have settlements exceeded coverage during the same period.

The City purchases commercial insurance coverage for all items not covered by CIRSA. Settled claims for these risks have not exceeded insurance coverage the past three years.

NOTE 12 – INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between the City's funds for the reimbursement of expenditures. Related interfund receivables and payables are classified as "due from other funds" and "due to other funds" on the balance sheet and statement of net position and will be settled within one year.

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -12 INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

The composition of due to / from other funds as of December 31, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Grand Theater Fund	24,118
General Fund	Capital Improvement Fund	<u>38,423</u>
		<u>\$ 62,541</u>

Interfund Transfers:

Transfers are for the use of unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with council authorizations.

The composition of interfund transfers as of December 31, 2023 is as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount Transferred</u>
Water Utility Fund	General Fund	\$ 27,309
General Fund	Community Development Fund	\$ 170,072

NOTE -13 CONTINGENCIES AND COMMITMENTS

The general obligation bonds recorded as liabilities of the Water Utility Fund are contingent liabilities of the general resources of the City.

The City participated in federally assisted grant programs. Under the terms of the grants, periodic compliance audits are required by the granting agencies and certain costs may be questioned as not being appropriate expenditures under the terms of the grants and could require reimbursement. City administration believes disallowance, if any, will be immaterial.

NOTE -14 TAX SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The City's management believes a significant portion of its operations qualify for this exclusion.

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). A portion of the fund balance has been restricted in compliance with this requirement. At December 31, 2023, \$149,400 of the fund balance has been restricted.

Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The City's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation.

In November 1995, the voters of the City approved an amendment to allow the collection, retention, and expenditure of all excess funds.

CITY OF ROCKY FORD, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -15 RELATED PARTY TRANSACTIONS

As indicated in Note -1, the City entered into an intergovernmental agreement with Otero County Landfill, Inc. (OCLI) regarding a landfill operation. For the year ended December 31, 2023, the City had expenditures of approximately \$101,000 to OCLI for its share of the costs of which \$0 was due and recorded as accounts payable in the Solid Waste Disposal Utility Fund. The City has recognized \$149,400 for its share of estimated closure and post closure care costs.

NOTE -16 SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROCKY FORD, COLORADO
 OLD HIRE POLICE PENSION FUND
 SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS
 YEAR ENDED DECEMBER 31, 2023

MEASUREMENT PERIOD ENDING DECEMBER 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY									
SERVICE COST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTEREST	-	5,933	8,865	17,291	17,550	20,921	24,415	40,692	42,181
CHANGES TO BENEFIT TERMS	-	-	-	-	-	-	-	-	-
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	-	30,312	-	(137,035)	(9,158)	(8,595)	-	(140,211)	-
ASSUMPTION CHANGES	-	(38,958)	14,752	18,217	-	18,103	24,058	129,426	-
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(274,575)	(38,551)	(37,428)	(44,877)	(50,198)	(50,198)	(51,262)	(62,967)	(61,133)
NET CHANGE IN TOTAL PENSION LIABILITY	(274,575)	(41,264)	(13,811)	(146,404)	(41,806)	(19,769)	(2,789)	(33,060)	(18,952)
TOTAL PENSION LIABILITY - BEGINNING	274,575	315,839	329,650	476,054	517,860	537,629	540,418	573,478	592,430
TOTAL PENSION LIABILITY - ENDING (a)	-	274,575	315,839	329,650	476,054	517,860	537,629	540,418	573,478
PLAN FIDUCIARY NET POSITION									
CONTRIBUTIONS - EMPLOYER	-	47,000	-	12,000	-	-	-	-	-
CONTRIBUTIONS - EMPLOYEE	-	-	-	-	-	-	-	-	-
NET INVESTMENT INCOME	-	(156)	3,476	9,130	821	21,821	9,764	5,085	19,898
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(38,839)	(38,551)	(37,428)	(44,877)	(50,198)	(50,198)	(51,262)	(62,967)	(61,133)
ADMINISTRATIVE EXPENSES	-	(1,215)	(2,539)	(1,617)	(3,378)	(877)	(2,179)	(716)	(3,585)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(38,839)	7,078	(36,491)	(25,364)	(52,755)	(29,254)	(43,677)	(58,598)	(44,820)
PLAN FIDUCIARY NET POSITION - BEGINNING	38,839	31,761	68,252	93,616	146,371	175,625	219,302	277,900	322,720
PLAN FIDUCIARY NET POSITION - ENDING (b)	-	38,839	31,761	68,252	93,616	146,371	175,625	219,302	277,900
NET PENSION LIABILITY - ENDING	\$ -	\$ 235,736	\$ 284,078	\$ 261,398	\$ 382,438	\$ 371,489	\$ 362,004	\$ 321,116	\$ 295,578
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (b) / (a)	0.00%	14.15%	10.06%	20.70%	19.66%	28.26%	32.67%	40.58%	48.46%
COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PLAN'S NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTE: THIS SCHEDULE IS INTENDED TO SHOW INFORMATION FOR TEN YEARS. ADDITIONAL YEARS' INFORMATION WILL BE DISPLAYED AS BECOMES AVAILABLE.

CITY OF ROCKY FORD, COLORADO
VOLUNTEER FIRE DEPARTMENT PENSION FUND
SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
YEAR ENDED DECEMBER 31, 2023

MEASUREMENT PERIOD ENDING DECEMBER 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY									
SERVICE COST	\$ 363	\$ 363	\$ 432	\$ 432	\$ 460	\$ 460	\$ 442	\$ 442	\$ 394
INTEREST	1,663	1,895	1,934	1,844	1,984	1,906	1,847	1,797	1,746
BENEFIT CHANGES	96,501	-	-	-	-	-	-	-	-
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	6,627	-	(1,927)	-	(2,631)	-	(761)	-	180
ASSUMPTION CHANGES	1,201	-	-	-	1,275	-	679	-	-
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(10,280)	(1,030)	(900)	(1,075)	(1,275)	(1,375)	(1,488)	(1,665)	(1,650)
NET CHANGE IN TOTAL PENSION LIABILITY	96,075	1,228	(461)	1,201	(187)	991	719	574	670
TOTAL PENSION LIABILITY - BEGINNING	28,630	27,402	27,863	26,662	26,849	25,858	25,139	24,565	23,895
TOTAL PENSION LIABILITY - ENDING (a)	124,705	28,630	27,402	27,863	26,662	26,849	25,858	25,139	24,565
PLAN FIDUCIARY NET POSITION									
CONTRIBUTIONS - EMPLOYER	10,035	4,947	2,883	2,637	2,727	3,326	2,411	2,515	2,018
CONTRIBUTIONS - EMPLOYEE	-	-	-	-	-	-	-	-	-
NET INVESTMENT INCOME	(12,112)	18,861	14,602	13,980	73	13,318	4,679	1,483	5,176
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(10,280)	(1,030)	(900)	(1,075)	(1,275)	(1,375)	(1,488)	(1,665)	(1,650)
ADMINISTRATIVE EXPENSES	(4,528)	(4,092)	(3,542)	(6,599)	(7,529)	(6,739)	(414)	(1,270)	(504)
STATE FUNDING	4,452	4,967	2,454	2,993	-	2,170	1,816	1,816	1,767
NET CHANGE IN PLAN FIDUCIARY NET POSITION	(12,433)	23,653	15,497	11,936	(6,004)	10,700	7,004	2,879	6,807
PLAN FIDUCIARY NET POSITION - BEGINNING	147,741	124,088	108,591	96,655	102,659	91,959	84,955	82,076	75,269
PLAN FIDUCIARY NET POSITION - ENDING (b)	135,308	147,741	124,088	108,591	96,655	102,659	91,959	84,955	82,076
NET PENSION LIABILITY (ASSET) - ENDING	\$ (10,603)	\$ (119,111)	\$ (96,686)	\$ (80,728)	\$ (69,993)	\$ (75,810)	\$ (66,101)	\$ (59,816)	\$ (57,511)
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (b) / (a)	108.50%	516.04%	452.84%	389.73%	362.52%	382.36%	355.63%	337.94%	334.12%
COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PLAN'S NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTE: THIS SCHEDULE IS INTENDED TO SHOW INFORMATION FOR TEN YEARS. ADDITIONAL YEARS' INFORMATION WILL BE DISPLAYED AS BECOMES AVAILABLE.

CITY OF ROCKY FORD, COLORADO
 OLD HIRE POLICE PENSION FUND
 SCHEDULE OF PLAN CONTRIBUTIONS
 YEAR ENDED DECEMBER 31, 2023

FY ENDING DECEMBER 31, (a)	ACTUARIALLY DETERMINED CONTRIBUTION (b)	ACTUAL CONTRIBUTION* (c)	CONTRIBUTION DEFICIENCY (EXCESS) (d) = (b) - (c)	COVERED PAYROLL (e)	ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL (f)
2023	\$ -	\$ -	\$ -	N/A	N/A
2022	\$ 35,709	\$ 35,709	\$ -	N/A	N/A
2021	\$ 35,709	\$ 47,000	\$ (11,291)	N/A	N/A
2020	\$ 35,709	\$ -	\$ 35,709	N/A	N/A
2019	\$ 35,709	\$ 12,000	\$ 23,709	N/A	N/A
2018	\$ 29,260	\$ -	\$ 29,260	N/A	N/A
2017	\$ 29,260	\$ -	\$ 29,260	N/A	N/A
2016	\$ 27,408	\$ -	\$ 27,408	N/A	N/A
2015	\$ 27,408	\$ -	\$ 27,408	N/A	N/A
2014	\$ 24,016	\$ -	\$ 24,016	N/A	N/A

* Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.

CITY OF ROCKY FORD, COLORADO
VOLUNTEER FIRE DEPARTMENT PENSION FUND
SCHEDULE OF PLAN CONTRIBUTIONS
YEAR ENDED DECEMBER 31, 2023

FY ENDING DECEMBER 31,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION*	CONTRIBUTION DEFICIENCY (EXCESS)	COVERED PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2023	\$ 7,521	\$ 14,487	\$ (6,966)	N/A	N/A
2022	\$ 302	\$ 10,035	\$ (9,733)	N/A	N/A
2021	\$ 302	\$ 4,947	\$ (4,645)	N/A	N/A
2020	\$ 302	\$ 5,035	\$ (4,733)	N/A	N/A
2019	\$ -	\$ 5,630	\$ (5,630)	N/A	N/A
2018	\$ -	\$ 2,727	\$ (2,727)	N/A	N/A
2017	\$ 5,496	\$ 5,496	-	N/A	N/A
2016	\$ 4,227	\$ 4,227	-	N/A	N/A
2015	\$ 4,331	\$ 4,331	-	N/A	N/A
2014	\$ 3,785	\$ 3,785	-	N/A	N/A

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

CITY OF ROCKY FORD, COLORADO

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		(UNFAVORABLE)
REVENUES				
TAXES	\$ 2,166,000	\$ 2,166,000	\$ 2,220,379	\$ 54,379
LICENSES AND PERMITS	17,750	17,750	18,083	333
INTERGOVERNMENTAL	220,900	220,900	189,117	(31,783)
CHARGES FOR SERVICES	774,100	1,074,100	1,368,646	294,546
FINES	11,200	11,200	9,373	(1,827)
GRANTS	280,000	680,000	598,682	(81,318)
MISCELLANEOUS	159,260	159,260	262,859	103,599
TOTAL REVENUES	3,629,210	4,329,210	4,667,139	337,929
EXPENDITURES				
GENERAL GOVERNMENT	189,146	189,146	192,674	(3,528)
PUBLIC SAFETY	2,650,926	3,185,926	3,107,055	78,871
PUBLIC WORKS	377,239	377,239	449,769	(72,530)
HEALTH AND WELFARE	106,932	106,932	121,451	(14,519)
CULTURE AND RECREATION	597,882	762,882	709,799	53,083
GENERAL	191,350	191,350	229,154	(37,804)
TOTAL EXPENDITURES	4,113,475	4,813,475	4,809,902	3,573
REVENUES OVER (UNDER) EXPENDITURES	(484,265)	(484,265)	(142,763)	341,502
OTHER FINANCING SOURCES				
TRANSFER IN	-	-	27,309	27,309
TRANSFER OUT	-	-	(170,072)	(170,072)
CONTRIBUTIONS	-	-	7,500	7,500
TOTAL OTHER FINANCING SOURCES	-	-	(135,263)	(135,263)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(484,265)	(484,265)	(278,026)	206,239
FUND BALANCE JANUARY 1	1,038,717	1,038,717	1,038,717	-
FUND BALANCE DECEMBER 31	\$ 554,452	\$ 554,452	\$ 760,691	\$ 206,239

CITY OF ROCKY FORD, COLORADO

CAPITAL IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEARS ENDED DECEMBER 31, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
SALES TAX	\$ 400,000	\$ 400,000	\$ 472,851	\$ 72,851
EXPENDITURES				
STREET REPAIRS	350,000	350,000	510,138	(160,138)
CAPITAL OUTLAY	13,000	13,000	9,917	3,083
TOTAL EXPENDITURES	363,000	363,000	520,055	(157,055)
REVENUES OVER (UNDER) EXPENDITURES	37,000	37,000	(47,204)	(84,204)
FUND BALANCE JANUARY 1	85,263	85,263	85,263	-
FUND BALANCE DECEMBER 31	\$ 122,263	\$ 122,263	\$ 38,059	\$ (84,204)

CITY OF ROCKY FORD, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE -1 SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

Measurement Period: January 1, 2022 - December 31, 2022 for the Fiscal Year Ending December 31, 2023 (December 31, 2022 measurement date). The City elected the one-year lookback for measurement date and measurement period purposes.

NOTE -2 SCHEDULES OF PLAN CONTRIBUTIONS

Actuarial Assumptions

VOLUNTEER FIRE DEPARTMENT PENSION FUND

Valuation Date: January 1, 2021

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2021, determines the contribution amounts for 2022 and 2023.

Significant actuarial methods and assumptions used to determine the contribution rates for the Volunteer Fire Department Pension Fund is as follows:

Methods and assumptions used to determine contribution rates:

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 Increase	- N/A
Investment Rate of Return	- 7.00%
Retirement Age	- 50% per year of eligibility until 100% at age 65
	- <u>Pre-retirement</u> : 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 morality.
Mortality (Annuities)	- <u>Post-retirement</u> : 2006 central rate 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.
	- <u>Disabled</u> : 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.

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

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS

General Fund – It accounts for all financial resources of the general government, except those which are required to be accounted for in another fund.

Capital Improvement Fund – Capital improvement fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service.

CITY OF ROCKY FORD, COLORADO

GENERAL FUND

BALANCE SHEET

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CASH OR EQUIVALENTS	\$ 196,185	\$ 736,979
RESTRICTED ASSETS	45,743	443,434
RECEIVABLES:		
PROPERTY TAXES	256,000	292,000
GRANT	37,500	-
OTHER	574,613	456,087
DUE FROM OTHER FUNDS	<u>62,541</u>	<u>76,564</u>
 TOTAL ASSETS	 <u>\$ 1,172,582</u>	 <u>\$ 2,005,064</u>
 LIABILITIES		
ACCOUNTS PAYABLE	\$ 4,838	\$ 143,264
ACCRUED EXPENSES	85,730	101,391
UNEARNED REVENUE	<u>65,323</u>	<u>429,692</u>
 TOTAL LIABILITIES	 <u>155,891</u>	 <u>674,347</u>
 DEFERRED INFLOWS OF RESOURCES		
DEFERRED REVENUES - PROPERTY TAXES	<u>256,000</u>	<u>292,000</u>
 FUND BALANCE		
RESTRICTED FOR		
EMERGENCIES - TABOR	149,400	109,000
FUTURE EXPENDITURES	-	484,265
UNASSIGNED	<u>611,291</u>	<u>445,452</u>
 TOTAL FUND BALANCE	 <u>760,691</u>	 <u>1,038,717</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	 <u>\$ 1,172,582</u>	 <u>\$ 2,005,064</u>

CITY OF ROCKY FORD, COLORADO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUES		
TAXES	\$ 2,220,379	\$ 2,196,173
LICENSES AND PERMITS	18,083	19,553
INTERGOVERNMENTAL	189,117	202,234
CHARGES FOR SERVICES	1,368,646	890,402
FINES	9,373	11,303
GRANTS	598,682	489,986
MISCELLANEOUS	262,859	234,176
	<u>4,667,139</u>	<u>4,043,827</u>
EXPENDITURES		
GENERAL GOVERNMENT	192,674	168,510
PUBLIC SAFETY	3,107,055	2,180,301
PUBLIC WORKS	449,769	360,468
HEALTH AND WELFARE	121,451	116,294
CULTURE AND RECREATION	709,799	533,032
GENERAL	229,154	297,955
	<u>4,809,902</u>	<u>3,656,560</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(142,763)</u>	<u>387,267</u>
OTHER FINANCING SOURCES		
TRANSFERS IN	27,309	-
TRANSFERS OUT	(170,072)	-
CONTRIBUTIONS	7,500	10,974
	<u>(135,263)</u>	<u>10,974</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	<u>(278,026)</u>	<u>398,241</u>
FUND BALANCE JANUARY 1	<u>1,038,717</u>	<u>640,476</u>
FUND BALANCE DECEMBER 31	<u>\$ 760,691</u>	<u>\$ 1,038,717</u>

CITY OF ROCKY FORD, COLORADO

CAPITAL IMPROVEMENT FUND

BALANCE SHEET

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
RESTRICTED CASH	\$ -	\$ 9,345
OTHER RECEIVABLE	<u>76,482</u>	<u>75,918</u>
TOTAL ASSETS	<u>\$ 76,482</u>	<u>\$ 85,263</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
DUE TO OTHER FUNDS	<u>38,423</u>	<u>-</u>
TOTAL LIABILITIES	<u>38,423</u>	<u>-</u>
FUND BALANCE		
RESTRICTED	<u>38,059</u>	<u>85,263</u>
TOTAL FUND BALANCE	<u>38,059</u>	<u>85,263</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 76,482</u>	<u>\$ 85,263</u>

CITY OF ROCKY FORD, COLORADO

CAPITAL IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUES		
SALES TAX	\$ 472,851	\$ 465,696
EXPENDITURES		
STREET REPAIRS	510,138	577,950
CAPITAL OUTLAY	<u>9,917</u>	<u>12,295</u>
TOTAL EXPENDITURES	<u>520,055</u>	<u>590,245</u>
REVENUES OVER (UNDER) EXPENDITURES	(47,204)	(124,549)
FUND BALANCE JANUARY 1	<u>85,263</u>	<u>209,812</u>
FUND BALANCE DECEMBER 31	<u><u>\$ 38,059</u></u>	<u><u>\$ 85,263</u></u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Community Development Fund – This fund is used to account for the collection and disbursement of specified rent revenues related to the use of City buildings for economic and community development.

Gobin Community Building Fund – This fund is used to account for the collection and disbursement of revenues received from donations and contributions for future expenditures to the Gobin Community Building.

Conservation Trust Fund – This fund is used to account for the collection and disbursement of revenues received from the Colorado state lottery and are restricted for parks and open space related projects.

Grand Theater Fund – This fund is used to account for the collection and disbursement of funds for the operation and maintenance of the community theater.

CITY OF ROCKY FORD, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2023

	COMMUNITY DEVELOPMENT	GOBIN COMMUNITY BUILDING	CONSERVATION TRUST	GRAND THEATER	TOTAL
ASSETS					
CASH OR EQUIVALENTS	\$ -	\$ 5,228	\$ 40,633	\$ -	\$ 45,861
DUE FROM OTHER ENTITIES	-	-	-	26,539	26,539
TOTAL LIABILITIES	\$ -	\$ 5,228	\$ 40,633	\$ 26,539	\$ 72,400
LIABILITIES					
ACCOUNTS PAYABLE	\$ -	\$ -	\$ -	\$ 1,313	\$ 1,313
ACCRUED EXPENSE	2,974	-	-	-	2,974
DUE TO OTHER FUNDS	-	-	-	24,118	24,118
TOTAL LIABILITIES	2,974	-	-	25,431	28,405
FUND BALANCE					
RESTRICTED	-	-	40,633	-	40,633
COMMITTED	-	5,228	-	-	5,228
UNASSIGNED	(2,974)	-	-	1,108	(1,866)
TOTAL FUND BALANCE (DEFICIT)	(2,974)	5,228	40,633	1,108	43,995
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ 5,228	\$ 40,633	\$ 26,539	\$ 72,400

CITY OF ROCKY FORD, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT)

YEAR ENDED DECEMBER 31, 2023

	COMMUNITY DEVELOPMENT	GOBIN COMMUNITY BUILDING	CONSERVATION TRUST	GRAND THEATER	TOTAL
REVENUES					
INTERGOVERNMENTAL	\$ -	\$ -	\$ 54,065	\$ -	\$ 54,065
CHARGES FOR SERVICES	-	-	-	70,061	70,061
MISCELLANEOUS	56,911	-	7	36,852	93,770
TOTAL REVENUES	56,911	-	54,072	106,913	217,896
EXPENDITURES					
COMMUNITY DEVELOPMENT	162,953	-	-	-	162,953
CULTURE AND RECREATION	-	-	53,412	91,563	144,975
TOTAL EXPENDITURES	162,953	-	53,412	91,563	307,928
REVENUES OVER (UNDER) EXPENDITURES	(106,042)	-	660	15,350	(90,032)
OTHER FINANCING SOURCES TRANSFERS IN	170,072	-	-	-	170,072
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	64,030	-	660	15,350	80,040
FUND BALANCE (DEFICIT) JANUARY 1	(67,004)	5,228	39,973	(14,242)	(36,045)
FUND BALANCE (DEFICIT) DECEMBER 31	\$ (2,974)	\$ 5,228	\$ 40,633	\$ 1,108	\$ 43,995

CITY OF ROCKY FORD, COLORADO

COMMUNITY DEVELOPMENT FUND

BALANCE SHEET

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES		
ACCRUED EXPENSES	\$ 2,974	\$ 2,587
DUE TO OTHER FUND	<u>-</u>	<u>64,417</u>
TOTAL LIABILITIES	2,974	67,004
FUND BALANCE (DEFICIT)		
UNASSIGNED	<u>(2,974)</u>	<u>(67,004)</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>

CITY OF ROCKY FORD, COLORADO

COMMUNITY DEVELOPMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT)

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023		VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
	ACTUAL	BUDGET		
REVENUES				
RENT AND OTHER	12,859	10,510	2,349	9,615
EVENTS	3,218	17,000	(13,782)	6,458
GRANTS	40,834	45,000	(4,166)	-
OTHER	-	-	-	1,750
TOTAL REVENUES	56,911	72,510	(15,599)	17,823
EXPENDITURES				
SALARIES AND BENEFITS	49,767	538	(49,229)	50,218
EVENTS	6,655	15,000	8,345	13,046
OCCUPANCY	8,141	5,250	(2,891)	7,027
CAPITAL PURCHASES	97,195	48,362	(48,833)	-
COMMUNITY DEVELOPMENT	1,195	3,360	2,165	3,658
TOTAL EXPENDITURES	162,953	72,510	(90,443)	73,949
REVENUES OVER (UNDER) EXPENDITURES	(106,042)	-	(106,042)	(56,126)
OTHER FINANCING SOURCES				
TRANSFERS IN	170,072	67,004	237,076	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	64,030	67,004	131,034	(56,126)
FUND BALANCE (DEFICIT) JANUARY 1	(67,004)	(67,004)	-	(10,878)
FUND BALANCE (DEFICIT) DECEMBER 31	\$ (2,974)	\$ -	\$ 131,034	\$ (67,004)

CITY OF ROCKY FORD, COLORADO

GOBIN COMMUNITY BUILDING FUND

BALANCE SHEET

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ 5,228</u>	<u>\$ 5,228</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
COMMITTED	<u>5,228</u>	<u>5,228</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5,228</u>	<u>\$ 5,228</u>

CITY OF ROCKY FORD, COLORADO

GOBIN COMMUNITY BUILDING FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023		VARIANCE	2022
	ACTUAL	BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTEREST INCOME	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
UTILITIES AND UPKEEP	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
FUND BALANCE JANUARY 1	5,228	5,228	-	5,228
FUND BALANCE DECEMBER 31	\$ 5,228	\$ 5,228	\$ -	\$ 5,228

CITY OF ROCKY FORD, COLORADO

CONSERVATION TRUST FUND

BALANCE SHEET

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ 40,633</u>	<u>\$ 39,973</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
RESTRICTED	<u>40,633</u>	<u>39,973</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 40,633</u>	<u>\$ 39,973</u>

CITY OF ROCKY FORD, COLORADO

CONSERVATION TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023		VARIANCE FAVORABLE (UNFAVORABLE)	2022 ACTUAL
	ACTUAL	BUDGET		
REVENUES				
INTERGOVERNMENTAL INTEREST	\$ 54,065 7	\$ 40,000 10	\$ 14,065 (3)	\$ 49,547 6
TOTAL REVENUES	54,072	40,010	14,062	49,553
EXPENDITURES				
RECREATION AND MAINTENANCE	53,412	78,356	24,944	53,370
REVENUES OVER (UNDER) EXPENDITURES	660	(38,346)	39,006	(3,817)
FUND BALANCE JANUARY 1	39,973	39,973	-	43,790
FUND BALANCE DECEMBER 31	\$ 40,633	\$ 1,627	\$ 39,006	\$ 39,973

CITY OF ROCKY FORD, COLORADO

GRAND THEATER FUND

BALANCE SHEET

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CASH OR EQUIVALENTS	\$ -	\$ -
DUE FROM OTHER ENTITIES	<u>26,539</u>	<u>-</u>
TOTAL ASSETS	<u><u>26,539</u></u>	<u><u>-</u></u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ 1,313	\$ 2,095
DUE FROM OTHER FUNDS	<u>24,118</u>	<u>12,147</u>
TOTAL LIABILITIES	25,431	14,242
FUND BALANCE (DEFICIT)		
UNASSIGNED	<u>1,108</u>	<u>(14,242)</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u><u>\$ 26,539</u></u>	<u><u>\$ -</u></u>

CITY OF ROCKY FORD, COLORADO

GRAND THEATER FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT)

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023		VARIANCE	2022
	ACTUAL	BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
SALES	\$ 70,061	\$ 95,000	\$ (24,939)	\$ 58,700
RENT AND OTHER	36,852	4,550	32,302	6,678
TOTAL REVENUES	106,913	99,550	7,363	65,378
EXPENDITURES				
SALARIES & BENEFITS	26,238	19,213	(7,025)	20,359
CONCESSIONS	13,083	12,000	(1,083)	10,046
FILMS	20,613	32,000	11,387	20,595
LIVE PERFORMANCES	2,250	3,500	1,250	2,091
REPAIRS	581	1,300	719	1,018
UTILITIES	18,114	13,360	(4,754)	14,711
OTHER	10,684	3,935	(6,749)	7,495
TOTAL EXPENDITURES	91,563	85,308	(6,255)	76,315
REVENUES OVER (UNDER) EXPENDITURES	15,350	14,242	1,108	(10,937)
FUND BALANCE (DEFICIT) JANUARY 1	(14,242)	(14,242)	-	(3,305)
FUND BALANCE (DEFICIT) DECEMBER 31	\$ 1,108	\$ -	\$ 1,108	\$ (14,242)

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Water Utility Fund - Accounts for the operations of the City's water utility. Activities of the fund include administration, operation and maintenance, treatment, and distribution of the water system, along with accumulation of resources for the payment of principal and interest on long-term debt.

Sewer Utility Fund - Accounts for the operations of the City's sewer utility. Activities of the fund include administration, operation and maintenance, treatment, and collection of the waste water system, along with accumulation of resources for the payment of principal and interest on long-term debt.

Solid Waste Disposal Utility Fund - Accounts for the operations of the City's solid waste disposal utility. Activities of the fund include administration, operation and maintenance, and collection of trash related to the solid waste disposal system.

CITY OF ROCKY FORD, COLORADO

WATER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2023 AND 2022

	2023	2022
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,615,145	\$ 1,508,113
ACCOUNTS RECEIVABLE - BILLED (NET)	102,584	121,005
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	47,400	23,300
PREPAID EXPENSES	18,486	17,898
INVENTORIES - SUPPLIES & MATERIALS	46,410	62,186
INVENTORIES - WATER	28,710	26,931
TOTAL CURRENT ASSETS	<u>1,858,735</u>	<u>1,759,433</u>
RESTRICTED ASSETS		
RESTRICTED CASH	<u>636,222</u>	<u>576,954</u>
PROPERTY AND EQUIPMENT		
LAND, WATER SYSTEM, AND EQUIPMENT - AT COST	17,550,186	17,550,186
ACCUMULATED DEPRECIATION	<u>(10,959,666)</u>	<u>(10,534,064)</u>
NET PROPERTY AND EQUIPMENT	<u>6,590,520</u>	<u>7,016,122</u>
TOTAL ASSETS	<u>\$ 9,085,477</u>	<u>\$ 9,352,509</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 7,531	\$ 4,982
ACCRUED SALARIES AND BENEFITS	33,366	36,007
ACCRUED INTEREST	20,477	20,974
BONDS PAYABLE - CURRENT MATURITY	55,004	53,218
LEASES PAYABLE - CURRENT MATURITY	<u>105,836</u>	<u>99,751</u>
TOTAL CURRENT LIABILITIES	<u>222,214</u>	<u>214,932</u>
TERM LIABILITIES		
BONDS PAYABLE	2,135,224	2,190,178
LEASES PAYABLE	<u>356,643</u>	<u>462,479</u>
TOTAL TERM LIABILITIES	<u>2,491,867</u>	<u>2,652,657</u>
OTHER LIABILITIES		
CUSTOMER DEPOSITS	<u>139,151</u>	<u>137,471</u>
TOTAL LIABILITIES	<u>2,853,232</u>	<u>3,005,060</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	3,937,814	4,210,496
RESTRICTED FOR FUTURE EXPENDITURES	735,908	909,092
UNRESTRICTED	<u>1,558,523</u>	<u>1,227,861</u>
TOTAL NET POSITION	<u>6,232,245</u>	<u>6,347,449</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 9,085,477</u>	<u>\$ 9,352,509</u>

CITY OF ROCKY FORD, COLORADO

WATER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 920,677	\$ 840,558
SPECIAL ASSESSMENTS	404,300	406,600
TOTAL OPERATING REVENUES	<u>1,324,977</u>	<u>1,247,158</u>
OPERATING EXPENSES		
SOURCE OF SUPPLY	474,201	402,295
SUPPLY MAINTENANCE	89,985	118,248
DISTRIBUTION AND OPERATING SUPPLIES	84,259	115,819
ACCOUNTING AND GENERAL ADMINISTRATION	279,708	294,170
DEPRECIATION	425,602	426,424
TOTAL OPERATING EXPENSES	<u>1,353,755</u>	<u>1,356,956</u>
OPERATING INCOME (LOSS)	<u>(28,778)</u>	<u>(109,798)</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST AND RENT INCOME	30,184	25,956
INTEREST EXPENSE	(100,909)	(105,781)
NONRECURRING REVENUE	11,608	998
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(59,117)</u>	<u>(78,827)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(87,895)	(188,625)
TRANSFER OUT	(27,309)	-
CAPITAL CONTRIBUTIONS	-	2,105
CHANGE IN NET POSITION	(115,204)	(186,520)
NET POSITION JANUARY 1	<u>6,347,449</u>	<u>6,533,969</u>
NET POSITION DECEMBER 31	<u>\$ 6,232,245</u>	<u>\$ 6,347,449</u>

CITY OF ROCKY FORD, COLORADO

WATER UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 1,319,298	\$ 1,234,061
CASH PAYMENTS TO SUPPLIERS OF GOODS OR SERVICES	(465,332)	(518,961)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(449,504)	(412,289)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>404,462</u>	<u>302,811</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
TRANSFERS	(27,309)	-
CUSTOMER DEPOSITS	1,680	6,250
OTHER	11,608	998
NET CASH PROVIDED (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>(14,021)</u>	<u>7,248</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
CAPITAL CONTRIBUTED	-	2,105
ACQUISITION OF CAPITAL ASSETS	-	-
PRINCIPAL PAID ON BONDS	(53,168)	(51,277)
PRINCIPAL PAID ON LEASE	(99,751)	(93,922)
INTEREST PAID	(101,406)	(106,260)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(254,325)</u>	<u>(249,354)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS AND OTHER	30,184	25,956
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>30,184</u>	<u>25,956</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	166,300	86,661
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	<u>2,085,067</u>	<u>1,998,406</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u>\$ 2,251,367</u>	<u>\$ 2,085,067</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	<u>\$ (28,778)</u>	<u>\$ (109,798)</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	425,602	426,424
CHANGE IN ASSETS AND LIABILITIES		
ACCOUNTS RECEIVABLE	(5,679)	(13,097)
INVENTORIES AND PREPAIDS	13,409	(12,459)
ACCOUNTS PAYABLE	2,549	1,157
ACCRUED SALARIES AND BENEFITS	(2,641)	10,584
TOTAL ADJUSTMENTS	<u>433,240</u>	<u>412,609</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 404,462</u>	<u>\$ 302,811</u>

CITY OF ROCKY FORD, COLORADO

SEWER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,303,874	\$ 1,092,430
ACCOUNTS RECEIVABLE - BILLED (NET)	69,655	92,080
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	34,800	32,800
INVENTORIES	<u>2,535</u>	<u>4,485</u>
TOTAL CURRENT ASSETS	<u>1,410,864</u>	<u>1,221,795</u>
PROPERTY AND EQUIPMENT		
LAND, SEWER SYSTEM AND EQUIPMENT - AT COST	5,986,969	5,986,969
ACCUMULATED DEPRECIATION	<u>(3,118,998)</u>	<u>(2,933,875)</u>
NET PROPERTY AND EQUIPMENT	<u>2,867,971</u>	<u>3,053,094</u>
TOTAL ASSETS	<u>\$ 4,278,835</u>	<u>\$ 4,274,889</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 524	\$ 4,373
ACCRUED SALARIES AND BENEFITS	34,777	31,899
ACCRUED INTEREST	618	724
CURRENT PORTION - LOANS PAYABLE	<u>119,568</u>	<u>119,243</u>
TOTAL CURRENT LIABILITIES	155,487	156,239
TERM LIABILITIES		
LOANS PAYABLE	<u>1,059,072</u>	<u>1,178,640</u>
TOTAL LIABILITIES	<u>1,214,559</u>	<u>1,334,879</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	1,689,332	1,755,211
RESTRICTED FOR:		
OPERATIONS AND MAINTENANCE	186,600	160,000
FUTURE EXPENDITURES	-	207,688
UNRESTRICTED	<u>1,188,344</u>	<u>817,111</u>
TOTAL NET POSITION	<u>3,064,276</u>	<u>2,940,010</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,278,835</u>	<u>\$ 4,274,889</u>

CITY OF ROCKY FORD, COLORADO

SEWER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 947,288	\$ 925,998
SPECIAL ASSESSMENTS	108,189	108,734
	<u>1,055,477</u>	<u>1,034,732</u>
OPERATING EXPENSES		
COLLECTION SYSTEM	475,497	409,185
ACCOUNTING AND GENERAL ADMINISTRATION	270,736	241,312
DEPRECIATION	185,123	182,233
	<u>931,356</u>	<u>832,730</u>
TOTAL OPERATING EXPENSES		
	<u>124,121</u>	<u>202,002</u>
OPERATING INCOME		
	<u>124,121</u>	<u>202,002</u>
NONOPERATING REVENUES (EXPENSES)		
MISCELLANEOUS INCOME	2,242	1,000
INTEREST EXPENSE	(2,097)	(2,410)
	<u>145</u>	<u>(1,410)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)		
	<u>145</u>	<u>(1,410)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	124,266	200,592
CAPITAL CONTRIBUTIONS	-	3,000
	<u>-</u>	<u>3,000</u>
CHANGE IN NET POSITION	124,266	203,592
NET POSITION JANUARY 1	<u>2,940,010</u>	<u>2,736,418</u>
NET POSITION DECEMBER 31	<u>\$ 3,064,276</u>	<u>\$ 2,940,010</u>

CITY OF ROCKY FORD, COLORADO

SEWER UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 1,075,902	\$ 1,019,739
CASH PAYMENTS TO SUPPLIERS OF GOODS OR SERVICES	(408,819)	(307,092)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(336,435)	(337,536)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>330,648</u>	<u>375,111</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
UNEARNED INCOME	-	(397,692)
MISCELLANEOUS INCOME	2,242	1,000
NET CASH PROVIDED (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>2,242</u>	<u>(396,692)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
CAPITAL CONTRIBUTED	-	3,000
ACQUISITION OF CAPITAL ASSETS	-	(31,482)
PAYMENT ON LOANS	(119,243)	(118,935)
INTEREST PAID	(2,203)	(2,512)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(121,446)</u>	<u>(149,929)</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	211,444	(171,510)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	<u>1,092,430</u>	<u>1,263,940</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u>\$ 1,303,874</u>	<u>\$ 1,092,430</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	<u>\$ 124,121</u>	<u>\$ 202,002</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	185,123	182,233
CHANGE IN ASSETS AND LIABILITIES		
ACCOUNTS RECEIVABLE	20,425	(14,993)
INVENTORIES	1,950	-
ACCOUNTS PAYABLE	(3,849)	4,373
ACCRUED SALARIES AND BENEFITS	2,878	1,496
TOTAL ADJUSTMENTS	<u>206,527</u>	<u>173,109</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 330,648</u>	<u>\$ 375,111</u>

CITY OF ROCKY FORD, COLORADO
SOLID WASTE DISPOSAL UTILITY FUND
BALANCE SHEET

DECEMBER 31, 2023 AND 2022

	2023	2022
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 849,599	\$ 762,194
ACCOUNTS RECEIVABLE - BILLED CUSTOMERS (NET)	49,750	63,411
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	23,200	21,200
	922,549	846,805
EQUIPMENT		
EQUIPMENT - AT COST	1,018,125	1,018,125
ACCUMULATED DEPRECIATION	(811,747)	(761,805)
	206,378	256,320
NET EQUIPMENT		
TOTAL ASSETS	\$ 1,128,927	\$ 1,103,125
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 1,148	\$ 17,393
ACCRUED SALARIES AND BENEFITS	30,464	28,037
ACCRUED INTEREST	352	520
CURRENT PORTION - LEASE PAYABLE	56,452	50,596
CURRENT PORTION -LANDFILL COSTS	14,940	57,375
	103,356	153,921
TOTAL CURRENT LIABILITIES		
TOTAL CURRENT LIABILITIES	103,356	153,921
TERM LIABILITIES		
LEASE PAYABLE	40,653	92,829
ACCRUED LANDFILL COSTS	134,460	172,125
	175,113	264,954
TOTAL TERM LIABILITIES		
TOTAL TERM LIABILITIES	175,113	264,954
TOTAL LIABILITIES	278,469	418,875
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	109,273	112,895
RESTRICTED FOR:		
FUTURE EXPENDITURES	51,000	27,180
UNRESTRICTED	690,185	544,175
	850,458	684,250
TOTAL NET POSITION		
TOTAL NET POSITION	850,458	684,250
TOTAL LIABILITIES AND NET POSITION	\$ 1,128,927	\$ 1,103,125

CITY OF ROCKY FORD, COLORADO

SOLID WASTE DISPOSAL UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
CHARGES FOR SERVICES	<u>\$ 692,885</u>	<u>\$ 648,523</u>
OPERATING EXPENSES		
COLLECTION	305,637	304,346
ACCOUNTING AND GENERAL ADMINISTRATION	249,546	221,717
DEPRECIATION	<u>49,942</u>	<u>49,942</u>
TOTAL OPERATING EXPENSES	<u>605,125</u>	<u>576,005</u>
OPERATING INCOME	<u>87,760</u>	<u>72,518</u>
NONOPERATING REVENUES (EXPENSES)		
MISCELLANEOUS INCOME	1,625	13,800
INTEREST EXPENSE	<u>(3,277)</u>	<u>(5,537)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(1,652)</u>	<u>8,263</u>
INCOME BEFORE SPECIAL ITEM	86,108	80,781
SPECIAL ITEM	<u>80,100</u>	<u>(75,900)</u>
CHANGE IN NET POSITION	166,208	4,881
NET POSITION JANUARY 1	<u>684,250</u>	<u>679,369</u>
NET POSITION DECEMBER 31	<u><u>\$ 850,458</u></u>	<u><u>\$ 684,250</u></u>

CITY OF ROCKY FORD, COLORADO
SOLID WASTE DISPOSAL UTILITY FUND
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 704,546	\$ 633,857
CASH PAYMENTS TO SUPPLIERS OF GOODS OR SERVICES	(279,358)	(251,506)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(289,643)	(292,702)
NET CASH PROVIDED BY OPERATING ACTIVITIES	135,545	89,649
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
MISCELLANEOUS INCOME	1,625	13,800
NET CASH USED FOR NONCAPITAL AND RELATED FINANCING ACTIVITIES	1,625	13,800
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
PAYMENT ON LEASE PAYABLE	(46,320)	(53,083)
INTEREST PAID	(3,445)	(5,730)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(49,765)	(58,813)
NET CHANGE IN CASH AND CASH EQUIVALENTS	87,405	44,636
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	762,194	717,558
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 849,599	\$ 762,194
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	\$ 87,760	\$ 72,518
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	49,942	49,942
CHANGE IN ASSETS AND LIABILITIES		
ACCOUNTS RECEIVABLE	11,661	(14,666)
ACCOUNTS PAYABLE	(16,245)	(16,325)
ACCRUED SALARIES & BENEFITS	2,427	(1,820)
TOTAL ADJUSTMENTS	47,785	17,131
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 135,545	\$ 89,649

CITY OF ROCKY FORD, COLORADO

WATER UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	\$ 1,259,300	\$ 1,259,300	\$ 1,324,977	\$ 65,677
INTEREST AND RENT	32,713	32,713	30,184	(2,529)
OTHER	1,000	1,000	11,608	10,608
TOTAL REVENUES	<u>1,293,013</u>	<u>1,293,013</u>	<u>1,366,769</u>	<u>73,756</u>
EXPENDITURES				
SOURCE OF SUPPLY	273,890	273,890	474,201	(200,311)
SUPPLY MAINTENANCE	120,500	120,500	89,985	30,515
DISTRIBUTION AND OPERATING SUPPLIES	387,000	387,000	84,259	302,741
ACCOUNTING AND GENERAL ADMINISTRATION	214,955	214,955	279,708	(64,753)
DEPRECIATION	387,000	387,000	425,602	(38,602)
INTEREST	114,974	114,974	100,909	14,065
DEBT RETIREMENT	136,832	136,832	152,919	(16,087)
TOTAL EXPENDITURES	<u>1,635,151</u>	<u>1,635,151</u>	<u>1,607,583</u>	<u>27,568</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(342,138)	(342,138)	(240,814)	101,324
OTHER FINANCING SOURCES				
TRANSFERS	-	-	(27,309)	(27,309)
CAPITAL CONTRIBUTIONS	10,000	10,000	-	(10,000)
	<u>\$ (332,138)</u>	<u>\$ (332,138)</u>	<u>(268,123)</u>	<u>\$ 64,015</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
DEBT RETIREMENT			<u>152,919</u>	
CHANGE IN NET POSITION			(115,204)	
NET POSITION JANUARY 1			<u>6,347,449</u>	
NET POSITION DECEMBER 31			<u>\$ 6,232,245</u>	

CITY OF ROCKY FORD, COLORADO

SEWER UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2023

	BUDGET AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	\$ 960,000	\$ 960,000	\$ 1,055,477	\$ 95,477
INTEREST AND OTHER	1,003	1,003	2,242	1,239
TOTAL REVENUES	<u>961,003</u>	<u>961,003</u>	<u>1,057,719</u>	<u>96,716</u>
EXPENDITURES				
COLLECTION SYSTEM	561,648	561,648	475,497	86,151
ACCOUNTING AND GENERAL ADMINISTRATION	231,597	231,597	270,736	(39,139)
DEPRECIATION	184,000	184,000	185,123	(1,123)
CAPITAL OUTLAY	75,000	75,000	-	75,000
INTEREST	8,680	8,680	2,097	6,583
DEBT RETIREMENT	112,766	112,766	119,243	(6,477)
TOTAL EXPENDITURES	<u>1,173,691</u>	<u>1,173,691</u>	<u>1,052,696</u>	<u>120,995</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(212,688)	(212,688)	5,023	217,711
OTHER FINANCING SOURCES				
CAPITAL CONTRIBUTIONS	5,000	5,000	-	(5,000)
	<u>\$ (207,688)</u>	<u>\$ (207,688)</u>	5,023	<u>\$ 212,711</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
CAPITALIZATION OF FIXED ASSETS			-	
DEBT RETIREMENT			<u>119,243</u>	
CHANGE IN NET POSITION			124,266	
NET POSITION JANUARY 1			<u>2,940,010</u>	
NET POSITION DECEMBER 31			<u>\$ 3,064,276</u>	

CITY OF ROCKY FORD, COLORADO

SOLID WASTE DISPOSAL UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2023

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	\$ 660,900	\$ 660,900	\$ 692,885	\$ 31,985
MISCELLANEOUS INCOME	600	600	1,625	1,025
TOTAL REVENUES	<u>661,500</u>	<u>661,500</u>	<u>694,510</u>	<u>33,010</u>
EXPENDITURES				
COLLECTION	377,460	377,460	305,637	71,823
ACCOUNTING AND GENERAL ADMINISTRATION	221,220	221,220	249,546	(28,326)
DEPRECIATION	35,000	35,000	49,942	(14,942)
INTEREST	5,000	5,000	3,277	1,723
CAPITAL OUTLAY	-	-	-	-
DEBT RETIREMENT	50,000	50,000	46,320	3,680
TOTAL EXPENDITURES	<u>688,680</u>	<u>688,680</u>	<u>654,722</u>	<u>33,958</u>
REVENUES OVER (UNDER) EXPENDITURES				
BEFORE SPECIAL ITEM	(27,180)	(27,180)	39,788	66,968
SPECIAL ITEM	-	-	80,100	80,100
	<u>\$ (27,180)</u>	<u>\$ (27,180)</u>	119,888	<u>\$ 147,068</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
DEBT RETIREMENT			46,320	
CHANGE IN NET POSITION			166,208	
NET POSITION JANUARY 1			684,250	
NET POSITION DECEMBER 31			<u>\$ 850,458</u>	

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

HANCOCK FROESE & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS
601 SOUTH EIGHTH STREET
ROCKY FORD, COLORADO 81067

Patrick A. Hancock CPA 719-688-0812
Andrew H. Froese CPA 719-980-1962

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council
City of Rocky Ford, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Rocky Ford, Colorado, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise City of Rocky Ford, Colorado's basic financial statements and have issued our report thereon dated July 24, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Rocky Ford, Colorado's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Rocky Ford, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Rocky Ford, Colorado's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies (item numbers 2023-01 and 2023-02) in internal control, as items that we consider to be material weaknesses:

2023-01: Bank Reconciliations		Material Weakness
Observation:	We identified deficiencies in internal controls in the following areas related to the collection of cash receipts at the Library: <ul style="list-style-type: none"> • No reconciliation of cash receipts is being performed to support the corresponding deposit. • Deposits are not being made in a timely manner. 	
Recommendation:	The objective of internal control over cash receipts is to obtain control over amounts received at the time of receipt. To achieve this control, certain duties involving receipts should be under dual control. We recommend the City implement the following control procedures related to cash receipts: <ul style="list-style-type: none"> • Employee responsible for cash collections needs to issue a receipt for the cash received, record the deposit under dual control, then return the receipt to City Hall to be reconciled to the bank deposit. • Deposits should be processed and recorded in a timely manner, at a minimum weekly. 	
Response:	City will begin to implement the recommendations noted above in fiscal year 2024.	

2023-02: Monitoring Cash Balances in the Pooled Cash Account	Material Weakness
Observation:	<p>We identified a lack of controls in the following areas related to the individual fund cash balances in the pooled cash account:</p> <ul style="list-style-type: none"> The following individual funds within the pooled cash account had deficit balances as of December 31, 2023: The General Fund, Capital Improvement Fund, Community Development Fund, and the Grand Theater Fund.
Recommendation:	<p>The objective of internal controls over the pooled cash account and the cash position of each fund is to monitor each cash account balance to eliminate deficit cash balances and creating due to – due from transactions from one fund to another.</p> <ul style="list-style-type: none"> The monitoring of the cash position of each individual fund starts with the Department Supervisor that oversees that individual fund to control the expenditures so they do not exceed the revenues generated. The Finance Director and City Manager should also provide oversight to ensure each individual fund's cash balance is in a positive cash position.
Response:	<p>The Department Supervisors, Finance Director, and City Manager will monitor the cash position of each individual fund within the pooled cash account.</p>

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Rocky Ford, Colorado's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described above.

City of Rocky Ford, Colorado's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Rocky Ford, Colorado's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. City of Rocky Ford, Colorado's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Hancock Froese & Company LLC
 July 24, 2024

LOCAL HIGHWAY FINANCE REPORT

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 ROCKY FORD	Prepared By: KYLE CROSSWHITE
--	--

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 255,503.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 38,621.00
2. General fund appropriations	\$ 131,155.00	b. Snow and ice removal	
3. Other local imposts (from page 2)	\$ 59,229.00	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ -	d. Total (a. through c.)	\$ 38,621.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 39,419.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 333,543.00
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)	\$ 190,384.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 143,159.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 333,543.00	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)	\$ 333,543.00

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
	\$ -	\$ 333,543.00	\$ 333,543.00	\$ -	\$ -

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 Assessments		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	\$ 59,229.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 59,229.00	h. Other	
c. Total (a. + b.)	\$ 59,229.00	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.)	\$ 130,265.00	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	\$ 12,894.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 12,894.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 143,159.00	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			\$ -
(3). System Preservation			\$ -
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ -	\$ -
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ -	\$ -
<i>(Carry forward to page 1)</i>			

Notes and Comments: