

City of Wray, Colorado

Financial Statements

For the Year ended December 31, 2023

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Independent Auditors' Report

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

Report on the Audit of Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
June 17, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

This section of the City of Wray, Colorado's annual financial report presents the discussion and analysis of the financial performance for the fiscal year that ended December 31, 2023.

FINANCIAL HIGHLIGHTS

- The City of Wray remains in good financial condition.
- The assets and deferred outflows of resources of the City of Wray exceeded its liabilities and deferred inflows of resources at the close of 2023 by \$27,946,806 (net position).
- The City's total net position increased by \$55,379.
- During the year, the City's revenue from taxes and other revenues for governmental programs were more than the expenses by \$199,633.
- The General Fund ending fund balance reached \$299,487, a decrease of \$273,641.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Wray's basic financial statements. The City of Wray's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements.
- Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial 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** presents information on all of the City of Wray's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Wray is improving or deteriorating.

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

The government-wide financial statements of the City are divided into two categories:

- **Governmental activities.** Most of the City's basic services are included here, such as the fire, public works, parks, recreation, and general administration. Property tax, franchise tax, intergovernmental revenue and charges for services finance most of these activities.
- **Business-type activities.** The City charges fees to customers to recover most of the costs of certain services provided. The City's electric, water, sewer and sanitation systems are included here.

The government-wide financial statements can be found starting on page 12 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law; however, City Council has established other funds to help control and manage money for particular purposes or to show that it is properly using certain revenue. All of the funds of the City of Wray can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end are available for spending. The funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statement provides a detailed, short-term view to cash, the governmental fund operations and the basic services it provides. Governmental fund information helps you 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 statements, additional information at the bottom of the governmental funds statement is provided, or on the subsequent page, that explains the relationship (or differences) between them.

The basic governmental fund financial statements can be found starting on page 16 of this report.

Proprietary funds. When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The basic proprietary fund financial statements can be found starting on page 20 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

The basic fiduciary fund financial statements can be found starting on page 32 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 34 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Wray, assets exceed liabilities by \$27,946,806 at the close of 2023.

Net Position

Combined net position of the City of Wray as of December 31, 2023 and 2022 are shown in Table 1 below.

Table 1
NET POSITION UPDATE 2023 AMOUNTS

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 1,919,817	\$ 2,614,986	\$ 5,945,928	\$ 5,582,622	\$ 7,865,745	\$ 8,197,608
Capital assets	<u>13,214,479</u>	<u>13,172,914</u>	<u>13,882,344</u>	<u>14,163,615</u>	<u>27,096,823</u>	<u>27,336,529</u>
Total assets	15,134,296	15,787,900	19,828,272	19,839,447	34,962,568	35,534,137
Deferred outflows of resources	<u>1,149,666</u>	<u>414,080</u>	<u>303,353</u>	<u>93,210</u>	<u>1,453,019</u>	<u>507,290</u>
Total assets and deferred outflows of resources	<u>\$ 16,283,962</u>	<u>\$ 16,201,980</u>	<u>\$ 20,131,625</u>	<u>\$ 19,839,447</u>	<u>\$ 36,415,587</u>	<u>\$ 36,041,427</u>
Long-term liabilities	\$ 2,086,904	\$ 480,417	\$ 4,376,290	\$ 3,988,622	\$ 6,463,194	\$ 4,469,039
Other liabilities	<u>252,804</u>	<u>691,424</u>	<u>1,022,784</u>	<u>550,169</u>	<u>1,275,588</u>	<u>1,241,593</u>
Total liabilities	2,339,709	1,171,841	5,399,074	4,538,791	7,738,782	5,710,632
Deferred inflows of resources	<u>684,999</u>	<u>1,970,517</u>	<u>45,000</u>	<u>468,851</u>	<u>729,999</u>	<u>2,439,368</u>
Net position:						
Net investment in capital assets	13,214,479	13,172,914	9,934,260	10,052,441	23,148,739	23,225,355
Restricted	412,952	685,780	-	51,873	412,952	737,653
Unrestricted (deficit)	<u>(368,176)</u>	<u>(799,072)</u>	<u>4,753,291</u>	<u>4,727,491</u>	<u>4,385,115</u>	<u>3,928,419</u>
Total net position	<u>13,259,255</u>	<u>13,059,622</u>	<u>14,687,551</u>	<u>14,831,805</u>	<u>27,946,806</u>	<u>27,891,427</u>
Total liabilities and net position	<u>\$ 16,283,962</u>	<u>\$ 16,201,980</u>	<u>\$ 20,131,625</u>	<u>\$ 19,839,447</u>	<u>\$ 36,415,587</u>	<u>\$ 36,041,427</u>

The largest portion of the City of Wray's net position reflects its investment in capital assets (land, buildings and equipment). The City of Wray uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. In addition, a portion of the City of Wray's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in net position

The City's total revenue of \$8,303,134 was more than program expenses of \$8,247,755 for an increase in net position of \$55,379.

Table 2 shows the summarized revenues and expenses for 2023 and 2022.

Table 2
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues						
Charges for services	\$ 494,032	\$ 522,247	\$ 3,814,432	\$ 4,019,533	\$ 4,308,464	\$ 4,541,780
Operating grants and contributions	970,049	391,255	50,840	-	1,020,889	391,255
Capital grants and contributions	277,500	121,575	97,875	-	375,375	121,575
General revenues						
Property taxes	432,422	445,500	-	-	432,422	445,500
Sales and use taxes	1,600,668	1,530,369	-	-	1,600,668	1,530,369
Specific ownership taxes	43,290	45,436	-	-	43,290	45,436
Franchise taxes	20,219	21,856	-	-	20,219	21,856
Severance taxes	76,100	44,790	-	-	76,100	44,790
Lodging taxes	49,502	42,528	-	-	49,502	42,528
Interest earnings	21,022	3,455	168,162	43,793	189,184	47,248
Miscellaneous	29,711	45,212	112,310	73,737	142,021	118,949
Sale of assets	-	-	45,000	1,779	45,000	1,779
Capital contributions	-	-	-	-	-	-
Transfers	975,000	900,000	(975,000)	(900,000)	-	-
Total revenues	4,989,515	4,114,223	3,313,619	3,238,842	8,303,134	7,353,065
Program expenses						
General government	719,657	661,161	-	-	719,657	661,161
Public safety	1,713,537	1,385,351	-	-	1,713,537	1,385,351
Public works	1,102,351	989,713	-	-	1,102,351	989,713
Culture and recreation	1,254,337	764,397	-	-	1,254,337	764,397
Interest and fiscal charges	-	-	-	-	-	-
Electric services	-	-	2,151,951	2,085,345	2,151,951	2,085,345
Water services	-	-	524,304	458,344	524,304	458,344
Sewer services	-	-	368,747	414,061	368,747	414,601
Sanitation services	-	-	412,871	306,217	412,871	306,217
Total expenses	3,457,873	3,263,967	3,457,873	3,263,967	8,247,755	7,064,589
Change in net position	199,633	313,601	(144,254)	(25,125)	55,379	288,476
Net position at beginning of year	13,059,622	12,746,021	14,831,805	14,856,930	27,891,427	27,602,951
Net position at end of year	\$13,259,255	\$13,059,622	\$14,687,551	\$14,831,805	\$27,946,806	\$27,891,427

Governmental Activities

Revenue for the City's governmental activities totaled \$4,989,515 for 2023. Tax revenue produced 52% of these revenues. Tax revenue includes property taxes, sales and use taxes, specific ownership taxes, franchise taxes, severance taxes and lodging taxes.

Table 3
GOVERNMENTAL ACTIVITIES

	Total cost of services		Net cost of services	
	2023	2022	2023	2022
General government	\$ 719,657	\$ 661,161	\$ 566,190	\$ 613,493
Public safety	1,713,537	1,385,351	1,157,429	900,709
Public works	1,102,351	989,713	546,971	733,424
Culture and recreation	1,254,337	764,397	777,711	517,919

Table 3 presents the cost and revenue of each of the City's four largest programs – general government, public safety, public works, and culture recreation – as well as each program's *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Business-type Activities

Net position in the business-type activities decreased by \$144,254 in 2023. Business-type activities include electric, water, sewer and sanitation services.

Table 4
BUSINESS-TYPE ACTIVITIES

	Total cost of services		Net cost of services	
	2023	2022	2023	2022
Electric services	\$ 2,151,951	\$ 2,085,345	\$ (476,596)	\$ (731,200)
Water services	524,304	458,344	(21,413)	6,189
Sewer services	368,747	414,061	(62,792)	(6,287)
Sanitation services	412,871	306,217	55,497	(24,268)

Table 4, above, presents the cost and revenue of each of the City's business-type activities – electric, water, sewer, and sanitation – as well as the program *net* cost (total cost less revenues generated by activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

THE CITY'S FUNDS

As the City completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$1,068,702. The general fund and other governmental funds reported fund balances of \$299,487, and \$874,483 respectively.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City of Wray's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounts to \$27,096,823 (net of accumulated depreciation). This amount includes a broad range of capital assets; including public works equipment, electric, water, sewer, sanitation and other infrastructure.

The City remains committed to the upkeep and maintenance of the City's largest assets. More detailed information about the City's capital assets is presented in Table 5.

Table 5
CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 1,581,135	\$ 1,581,135	\$ 396,161	\$ 396,161	\$ 1,977,296	\$ 1,977,296
Other non-depreciable assets	719,983	518,054	352,000	352,000	1,071,983	870,054
Infrastructure	1,384,933	978,630	-	-	1,384,933	978,630
Land Improvements	5,227,093	5,722,800	-	-	5,227,093	5,722,800
Buildings and improvements	3,671,524	3,836,545	83,860	84,069	3,755,384	3,920,614
Vehicles	176,190	142,974	104,770	84,936	280,960	227,910
Machinery and equipment	453,621	392,776	455,596	261,814	909,217	654,590
Systems	-	-	12,489,957	12,984,635	12,489,957	12,984,635
Total	\$ 13,214,479	\$ 13,172,914	\$ 13,882,344	\$ 14,163,615	\$ 27,096,823	\$ 27,336,529

Long-term debt. The City had \$3,948,084 in debt outstanding at year-end consisting of notes payable. More detailed information about the City’s long-term debt is presented in Table 6 and Note F to the financial statements.

Table 6
LONG-TERM DEBT

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Notes payable	\$ -	\$ -	\$ 3,948,084	\$ 4,111,174	\$ 3,948,084	\$ 4,111,174

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The City provides products and services to the businesses, residents and visitors of Wray, Colorado: General Administrative services, Public Safety, Public Works, and Cultural and Recreational activities. General administrative functions include financial management and accounting in addition to customer billing for municipal services, along with cash investment and fiduciary responsibility. Public Safety includes ambulance and emergent care, fire protection and response, as well as police enforcement to ensure public compliance to statutes and ordinances stipulated by the State of Colorado and by City Charter and City Ordinance.

The City of Wray also maintains all of the town’s parks, ball fields, streets, and public buildings. The City provides local residents and surrounding community and its visitor’s access to the municipal airport, parks, bike and walk paths, golf course, museum, library, swimming pool, and a variety of city recreational programs. The City also works cooperatively with community service groups in sponsoring and facilitating local activities and events for the community during the year.

The cost of these “General Fund Services” has totaled between \$3.67 and \$6.83 million dollars annually since 2020. User fees are collected from the swimming pool, museum, and other cultural and recreational programs provided by the City; fines are collected from state law and city ordinance enforcement. However, user fees for cultural and recreational programs cover only a small fraction of the cost to provide these services. Therefore, primary conventional forms of revenue used to offset these General Fund expenditures come from taxes on retail sales, property, auto, highway use, severance, cigarette, lodging, and road and bridge. Franchise fees are collected from cable, phone, and natural gas providers. Fees are also collected from public safety services such as ambulance and emergent care.

The City of Wray also receives donations to the various departments (library, ambulance, police, public works, etc.), but still does not receive sufficient revenues to offset the annual cost inherent in the quality of services and programs contained in the General Fund and provided by the local government. Therefore, each year funds are transferred from the enterprise departments (specifically the light and water enterprises) to help balance the general fund budget and help deliver all the services and cultural and recreational programs that enhance the quality of living in the city.

The City of Wray is involved in four enterprises- the sale and delivery of electricity and water, wastewater collection and treatment, plus solid waste collection. Commodity sales and delivery charges are billed and collected for electricity and water and service fees are charged for providing wastewater service in addition to collection of solid waste or trash.

The City of Wray also pursues and secures grants for infrastructure enhancements from both state and federal sources. The city’s airport, parks, pool, ball fields, water and wastewater systems have all benefited from aggressive grant applications and subsequent awards leveraged with local and municipal funding matches.

2024 Budgetary Important Features and Major Projects

The attached 2024 Budget for the City of Wray includes these *important features*:

1. The design and engineering phase of a City Complex in the amount of \$244,000 is included in the 2024 budget. The project was total cost is \$400,000 and was awarded a DOLA Energy Impact Assistance Fund grant in the amount of \$200,000.
2. The construction of a City Complex facility with a budget of \$6.0M contingent upon securing \$5.0M in state and federal grant funding for the project.
3. A Innovative Housing Strategies (IHOP) to complete a Regional Development Handbook, Code Audits, and Senior Housing Needs Assessment. The project total is \$157,080 with \$149,600 in DOLA IHOP Grant funds and the local match of \$7,480 split per capita between participating local governments.
4. The Wray Municipal Airport Partial Parallel and North Taxilane project in the amount of \$1,387,833 with 90% Federal funding, 5% State Funding, and 5% local funding.
5. The Wray Ambulance purchase of a new ambulance in the amount of \$300,000 contingent upon securing 50% grant funds, and a shared local match of 50% between Yuma County, Kitzmiller-Bales Trust, and the City of Wray.
6. Wray Fire replacement of a command vehicle with a F350 Ford in the amount of \$90,000 contingent upon 50% grant funding.
7. An Outdoor Library project to be constructed on the current Cedardale property is included. The project total is estimated at \$1,446,283 and includes securing \$1,246,283 of grant funding from multiple sources. The project costs include the abatement and razing of the Cedardale building and is partially complete. The 2024 budget includes \$980,000 in project expenses.
8. The Wray Museum budget includes \$340,000 of design work to complete construction documents for a new facility. The EYCHS has approved \$170,000 of endowment funds towards the project.
9. The purchase of a Police cruiser in the amount of \$75,000 is included. A grant request in the amount of \$37,500 and transfer from Police Special Fund of \$35,000 is included to fund the capital purchase.
10. A Multi-Modal Opportunity Fund grant from CDOT is included in the 2024 budget with a total project amount of \$1.2M. The local match is 0% and includes the replacement of curb, gutter, and sidewalk along SH 34 and Yuma County Court House.
11. Park improvements in the amount of \$80,000 including Baker Field, softball, and tee ball field improvements are included in the 2024 budget. The projects are contingent on securing grant funding and utilizing conservation trust fund dollars and KBT as the City match
12. The parks department budget includes the purchase of an Arctic Cat in the amount of \$30,000.
13. The installation of an EV Charging Station pending successful grant application for a total of \$60,000.
14. The upsizing of electric distribution lines, installation of water, and sewer utilities, grading and site work, and installation of 550 feet of Street to the wind turbine property is included in the amount of \$377,400, utilizing a 50/50 Rural Economic Development Initiative Grant in the amount of \$149,998.
15. The conversion to AMI electric meters in the amount of \$600,000 contingent upon securing a 50% matching grant.
16. \$590,420 of ARPA fund expenditure is included in the Water Fund to include eligible water infrastructure included drilling well #6 and water meter upgrades and replacements.

Many of the General Fund capital projects in the \$10,000 to \$100,000 range are often presented by the City Manager to the Kitzmiller-Bales Trust (KBT). KBT is a local trust that was endowed by a wealthy teacher in the community many years ago. KBT helps fund School capital projects, City Parks and Recreation projects, ambulance replacement purchases, Fire Hall expansions, broadband/fiber and a host of other opportunities.

Including grant projects and department expenses, the proposed 2024 General fund expense totals \$16,416,120 which exceeds projected revenue and fund cash reserves without transferring funds from the Enterprise Departments. Contributions into the General, Airport, Library, Fire, Museum, Police, Street, Recreation, and Ambulance departments are anticipated and part of the budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact City of Wray, 245 West 4th Street, P.O. Box 35, Wray, Colorado 80758.

Basic Financial Statements

The basic financial statements of the City include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

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

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

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

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 277,877	\$ 270,872	\$ 548,749
Cash with county treasurer	4,128		4,128
Certificates of deposit	815,252	4,610,194	5,425,446
Receivables	956,757	481,243	1,438,000
Internal balances	(134,197)	153,636	19,439
Inventory		429,983	429,983
Capital assets, net of depreciation	13,214,479	13,882,344	27,096,823
Total assets	15,134,296	19,828,272	34,962,568
Deferred outflows of resources			
Pension deferrals	1,123,784	294,195	1,417,979
Other post-employment benefit deferrals	25,882	9,158	35,040
Total deferred outflows of resources	1,149,666	303,353	1,453,019
Total assets and deferred outflows of resources	<u>\$ 16,283,962</u>	<u>\$ 20,131,625</u>	<u>\$ 36,415,587</u>

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

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 77,592	\$ 163,331	\$ 240,923
Accrued salaries and benefits	40,762	12,372	53,134
Unearned revenues	81,822		81,822
Unearned grant revenues	52,628	539,580	592,208
Customer deposits		133,455	133,455
Accrued interest payable		8,903	8,903
Current portion of notes payable		165,143	165,143
Total current liabilities	252,804	1,022,784	1,275,588
Long-term liabilities			
Notes payable		3,782,941	3,782,941
Net pension liability	1,983,318	556,766	2,540,084
Net OPEB liability	103,586	36,583	140,169
Total long-term liabilities	2,086,904	4,376,290	6,463,194
Total liabilities	2,339,708	5,399,074	7,738,782
Deferred inflows of resources			
Deferred property tax revenues	443,523		443,523
Pension deferrals	205,593	31,866	237,459
Other post-employment benefit deferrals	35,883	13,134	49,017
Total deferred inflows of resources	684,999	45,000	729,999
Net position			
Net investment in capital assets	13,214,479	9,934,260	23,148,739
Restricted for:			
Emergencies	104,000		104,000
Culture and recreation	308,952		308,952
Unrestricted (deficit)	(368,176)	4,753,291	4,385,115
Total net position	13,259,255	14,687,551	27,946,806
Total liabilities, deferred inflows of resources and net position	\$ 16,283,962	\$ 20,131,625	\$ 36,415,587

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

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 719,657	\$ 30,719	\$ 122,748	
Public safety	1,713,537	303,904	224,374	\$ 27,830
Public works	1,102,351	35,897	289,123	230,360
Culture and recreation	1,254,337	123,512	333,804	19,310
Total governmental activities	4,789,882	494,032	970,049	277,500
Business-type activities				
Electric services	2,151,951	2,628,547		
Water services	524,304	397,002	50,840	97,875
Sewer services	368,747	431,509		
Sanitation services	412,871	357,374		
Total business-type activities	3,457,873	3,814,432	50,840	97,875
Total	\$ 8,247,755	\$ 4,308,464	\$ 1,020,889	\$ 375,375

General revenues and transfers

Taxes

Property taxes, levied for general purposes

Sales and use taxes

Specific ownership taxes

Franchise taxes

Severance taxes

Lodging taxes

Unrestricted interest on investments

Miscellaneous

Sale of assets

Transfers

Total general revenues and transfers

Change in net position

Net position at beginning of year

Net position at end of year

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

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (566,190)		\$ (566,190)
(1,157,429)		(1,157,429)
(546,971)		(546,971)
(777,711)		(777,711)
(3,048,301)	\$ -	(3,048,301)
	476,596	476,596
	21,413	21,413
	62,762	62,762
	(55,497)	(55,497)
-	505,274	505,274
(3,048,301)	505,274	(2,543,027)
432,422		432,422
1,600,668		1,600,668
43,290		43,290
20,219		20,219
76,100		76,100
49,502		49,502
21,022	168,162	189,184
29,711	112,310	142,021
	45,000	45,000
975,000	(975,000)	-
3,247,934	(649,528)	2,598,406
199,633	(144,254)	55,379
13,059,622	14,831,805	27,891,427
<u>\$ 13,259,255</u>	<u>\$ 14,687,551</u>	<u>\$ 27,946,806</u>

CITY OF WRAY, COLORADO
Balance Sheet
Governmental Funds
December 31, 2023

	General Fund	Other Governmental Funds	Total
Assets			
Cash	\$ 63,332	\$ 214,545	\$ 277,877
Cash with county treasurer	4,128		4,128
Certificates of deposit	170,412	644,840	815,252
Property taxes receivable	443,523		443,523
Accounts receivable	462,815	899	463,714
Due from other funds		96,046	96,046
Total assets	<u>\$ 1,144,210</u>	<u>\$ 956,330</u>	<u>\$ 2,100,540</u>
Liabilities			
Accounts payable	\$ 77,592		\$ 77,592
Due to other funds	230,218	\$ 25	230,243
Accrued salaries and benefits	40,762		40,762
Unearned revenues		81,822	81,822
Unearned grant revenues	52,628		52,628
Total liabilities	401,200	81,847	483,047
Deferred inflows of resources			
Deferred property tax revenues	443,523		443,523
Total deferred inflows of resources	443,523	-	443,523
Fund balance			
Restricted for:			
Emergencies	104,000		104,000
Culture and recreation		308,952	308,952
Committed for:			
Airport services		254,443	254,443
Youth activities		33,229	33,229
Library improvements		13,097	13,097
Museum expenditures		264,762	264,762
Assigned for:			
Equipment reserve fund	70,793		70,793
Unassigned	124,694		124,694
Total fund balance	<u>299,487</u>	<u>874,483</u>	<u>1,173,970</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,144,210</u>	<u>\$ 956,330</u>	<u>\$ 2,100,540</u>

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

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

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

Total fund balance - governmental funds	\$ 1,173,970
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	13,214,479
Certain receivables will be collected in the next fiscal year, but are not available soon enough to pay for the current period's expenditures, and therefore are unearned in the funds.	49,520
Net pension and OPEB liabilities and their related deferred outflows and inflows of resources are not due and payable in the current period and therefore are not reported as assets or liabilities in the funds.	<u>(1,178,714)</u>
Net position of the governmental activities	<u><u>\$ 13,259,255</u></u>

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

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

	General Fund	Other Governmental Funds	Total
Revenues			
Taxes	\$ 2,223,568		\$ 2,223,568
Licenses and permits	12,543		12,543
Intergovernmental	758,772	\$ 36,742	795,514
Fines and forfeitures	19,275		19,275
Charges for services	445,286	35,358	480,644
Miscellaneous	90,984	297,242	388,226
Total revenues	3,550,428	369,342	3,919,770
Expenditures			
Current			
General government	865,220		865,220
Public safety	1,850,445		1,850,445
Public works	929,467		929,467
Culture and recreation	1,144,370		1,144,370
Total expenditures	4,789,502	-	4,789,502
Excess of revenues over (under) expenditures	(1,239,074)	369,342	(869,732)
Other financing sources (uses)			
Transfers in	980,258	14,825	995,083
Transfers out	(14,825)	(5,258)	(20,083)
Total other financing sources (uses)	965,433	9,567	975,000
Net change in fund balance	(273,641)	378,909	105,268
Fund balance at beginning of year	573,128	495,574	1,068,702
Fund balance at end of year	\$ 299,487	\$ 874,483	\$ 1,173,970

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

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

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

Net change in fund balance - governmental funds	\$ 105,268
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.	41,565
Because some revenues will not be collected for several months after the fiscal year ends, they are not considered "available" revenues in the governmental funds. They are, however, recorded as revenues in the statement of activities.	(43,300)
Pension and OPEB expense at the fund level represents cash contributions to the plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.	<u>96,100</u>
Change in net position of governmental activities	<u><u>\$ 199,633</u></u>

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

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

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Assets				
Current assets				
Cash	\$ 201,622	\$ 27,796	\$ 21,131	\$ 20,323
Certificates of deposit	2,633,574	873,432	402,890	700,298
Due from other funds	100,000	886,532	775,236	
Accounts receivable	327,323	36,056	49,587	39,157
Accrued interest receivable	15,889	5,843	2,701	4,687
Inventory	326,604	95,630	5,980	1,769
Total current assets	3,605,012	1,925,289	1,257,525	766,234
Noncurrent assets				
Capital assets, net of depreciation	1,190,994	7,258,804	5,114,027	318,519
Total noncurrent assets	1,190,994	7,258,804	5,114,027	318,519
Deferred outflows of resources				
Pension deferrals	207,299	20,595	4,194	62,107
Other post-employment benefit deferrals	5,899	667	578	2,014
Total deferred outflows of resources	213,198	21,262	4,772	64,121
Total assets and deferred outflows of resources	<u>\$ 5,009,204</u>	<u>\$ 9,205,355</u>	<u>\$ 6,376,324</u>	<u>\$ 1,148,874</u>

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

Total
<u> </u>
\$ 270,872
4,610,194
1,761,768
452,123
29,120
429,983
<u> </u>
7,554,060
13,882,344
<u> </u>
13,882,344
294,195
9,158
<u> </u>
303,353
<u> </u>
<u><u>\$ 21,739,757</u></u>

(continued)

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

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
(continued)				
Liabilities				
Current liabilities				
Accounts payable	\$ 137,612	\$ 13,381	\$ 6,114	\$ 6,224
Customer deposits	133,110	345		
Due to other funds	1,040,352		100,000	467,780
Accrued salaries and benefits	8,559	1,059		2,754
Unearned grant revenue		539,580		
Accrued interest payable		6,969	1,934	
Current portion of note payable		84,445	80,698	
Total current liabilities	1,319,633	645,779	188,746	476,758
Long-term liabilities				
Note payable		2,703,254	1,079,687	
Net pension liability	358,714	40,648	34,488	122,916
Net OPEB liability	23,570	2,671	2,266	8,076
Total long-term liabilities	382,284	2,746,573	1,116,441	130,992
Total liabilities	1,701,917	3,392,352	1,305,187	607,750
Deferred inflows of resources				
Pension deferrals	5,625	645	23,641	1,955
Other post-employment benefit deferrals	7,582	942	1,774	2,836
Total deferred inflows of resources	13,207	1,587	25,415	4,791
Net position				
Net investment in capital assets	1,190,994	4,471,105	3,953,642	318,519
Unrestricted	2,103,086	1,340,311	1,092,080	217,814
Total net position	3,294,080	5,811,416	5,045,722	536,333
Total liabilities, deferred inflows of resources and net position	\$ 5,009,204	\$ 9,205,355	\$ 6,376,324	\$ 1,148,874

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

Total
\$ 163,331
133,455
1,608,132
12,372
539,580
8,903
165,143
2,630,916
3,782,941
556,766
36,583
4,376,290
7,007,206
31,866
13,134
45,000
9,934,260
4,753,291
14,687,551
<u>\$ 21,739,757</u>

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

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Operating revenues				
Charges for services	\$ 2,628,547	\$ 397,002	\$ 431,509	\$ 357,374
Operating expenses				
Systems operation				
Salaries	133,929	45,187		165,500
Employee benefits	58,030	17,598		77,758
Workers compensation	2,552	3,524		9,020
Electricity purchases	1,290,087			
Power purchases		56,627	57,514	
Supplies	14,285	6,172	4,312	9,692
Chemicals		11,178	10,752	
Repairs and maintenance	72,684	39,052	34,016	16,574
System maintenance	10,188			
Vehicle expense	12,753	1,061	3,991	19,843
Professional services	7,220	23,971	3,737	4,244
Training	3,964			809
Landfill expense				67,086
Water fees		22,120		
ARPA disbursements		50,840		
Depreciation and amortization	85,462	206,290	248,372	47,889
Total systems operation	1,691,154	483,620	362,694	418,415
Administrative and general				
Salaries	246,055			
Employee benefits	151,123			
Supplies	19,477			
Repairs and maintenance	39,867			
Training	1,461			
Professional services	8,254			
Lease expense	6,921			
Publications	3,863			
Total administrative and general	477,021	-	-	-
Total operating expenses	2,168,175	483,620	362,694	418,415
Operating income (loss)	460,372	(86,618)	68,815	(61,041)

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

Total

\$ 3,814,432

344,616

153,386

15,096

1,290,087

114,141

34,461

21,930

162,326

10,188

37,648

39,172

4,773

67,086

22,120

50,840

588,013

2,955,883

246,055

151,123

19,477

39,867

1,461

8,254

6,921

3,863

477,021

3,432,904

381,528

(continued)

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

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Nonoperating revenues (expenses)				
Interest on investments	83,648	37,208	16,957	30,349
Miscellaneous revenues	66,942	32,097	6,038	7,233
Grants and donations		97,875		
ARPA income		50,840		
Gain on sale of assets				45,000
Pension expense	16,224	1,656	5,886	5,544
Interest and fiscal charges		(42,340)	(11,939)	
Total nonoperating revenues (expenses)	166,814	177,336	16,942	88,126
Income before transfers	627,186	90,718	85,757	27,085
Transfers out	(925,000)	(50,000)		
Change in net position	(297,814)	40,718	85,757	27,085
Net position at beginning of year	3,591,894	5,770,698	4,959,965	509,248
Net position at end of year	\$ 3,294,080	\$ 5,811,416	\$ 5,045,722	\$ 536,333

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

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

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Cash flows from operating activities				
Receipts from customers	\$ 2,630,598	\$ 394,647	\$ 425,250	\$ 350,722
Internal activity - receipts from (payments to) other funds	(102,031)	(39,560)	(193,770)	236,191
Payments to suppliers	(1,718,248)	(232,203)	(108,274)	(196,125)
Payments to employees	(380,447)	(44,966)	(2,007)	(165,292)
Net cash provided by operating activities	429,872	77,918	121,199	225,496
Cash flows from noncapital financing activities				
Miscellaneous revenues	66,942	32,097	6,038	7,233
Transfers out	(925,000)	(50,000)		
Net cash provided (used) by noncapital financing activities	(858,058)	(17,903)	6,038	7,233
Cash flows from capital and related financing activities				
Purchase of capital assets	(56,142)	(3,600)		(202,000)
Principal paid on capital debt		(83,192)	(79,898)	
Interest and fiscal charges		(42,753)	(12,204)	
Net cash used by capital and related financing activities	(56,142)	(129,545)	(92,102)	(202,000)
Cash flows from investing activities				
Earnings on investments	2,340	1,030	468	843
Sale of investments and certificates	3,190,341	865,374	404,606	694,667
Purchase of investments and certificates	(2,506,731)	(866,953)	(419,078)	(705,916)
Net cash provided (used) by investing activities	685,950	(549)	(14,004)	(10,406)

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

<u>Total</u>	
\$ 3,801,217	
(99,170)	
(2,254,850)	
<u>(592,712)</u>	
854,485	
112,310	
<u>(975,000)</u>	
(862,690)	
(261,742)	
(163,090)	
<u>(54,957)</u>	
(479,789)	
4,681	
5,154,988	
<u>(4,498,678)</u>	
660,991	

(continued)

CITY OF WRAY, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

(continued)	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Sanitation Fund
Net change in cash and cash equivalents	201,622	(70,079)	21,131	20,323
Cash and cash equivalents at beginning of year	-	97,875	-	-
Cash and cash equivalents at end of year	<u>\$ 201,622</u>	<u>\$ 27,796</u>	<u>\$ 21,131</u>	<u>\$ 20,323</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ 460,372	\$ (86,618)	\$ 68,815	\$ (61,041)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation and amortization	85,462	206,290	248,372	47,889
Change in assets and liabilities				
Due from other funds	25,000	(39,560)	(168,770)	
Receivables	(13,682)	(2,405)	(6,259)	(6,652)
Inventory	(14,209)	(7,547)	618	4,715
Accounts payable	(1,310)	7,487	5,430	4,186
Customer deposits	15,733	50		
Due to other funds	(127,031)		(25,000)	236,191
Accrued salaries and benefits	(463)	221	(2,007)	208
Net cash provided by operating activities	<u>\$ 429,872</u>	<u>\$ 77,918</u>	<u>\$ 121,199</u>	<u>\$ 225,496</u>
Noncash capital financing activities				
Assets acquired with trade-in allowance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,000</u>

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

Total

172,997

97,875

\$ 270,872

\$ 381,528

588,013

(183,330)

(28,998)

(16,423)

15,793

15,783

84,160

(2,041)

\$ 854,485

\$ 45,000

CITY OF WRAY, COLORADO
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Pension (and Other Employee Benefit) Trust Funds
Assets	
Cash	\$ 56,150
Certificate of deposit	139,948
Total assets	\$ 196,098
Liabilities	
Due to other funds	\$ 19,439
Net position	
Restricted for pension benefits	176,659
Total liabilities and net position	\$ 196,098

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

CITY OF WRAY, COLORADO
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2023

	Pension (and Other Employee Benefit) Trust Funds
Additions	
Contributions	
Employer	\$ 20,361
State	10,347
Specific ownership tax	4,371
Total contributions	35,079
Investment income	
Interest on investments	4,678
Total investment income	4,678
Total additions	39,757
Deductions	
Pension benefits	25,200
Professional services	4,000
Total deductions	29,200
Change in net position	10,557
Net position at beginning of year	166,102
Net position at end of year	\$ 176,659

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies

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

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

A.1 – Reporting entity

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

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

A.2 – Fund accounting

The City uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate “fund types.”

Governmental funds are used to account for all or most of a government’s general activities, including the collection and disbursement of earmarked funds (special revenue funds), major capital projects (capital projects fund), and the servicing of general long-term debt (debt service fund). The following is the City’s major governmental fund:

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

The following are the City's nonmajor governmental funds:

Airport Fund – This fund accounts for financial resources of the airport, including leases, taxes and state fuel taxes.

Conservation Trust Fund – This fund is a special revenue fund established to account for state lottery proceeds and allowable expenditures.

Youth Fund – This fund was established to account for mineral royalties and oil lease revenues, as well as provide transparency of the use of the money for youth programs.

Library Improvement Fund – This fund was established with donations made to the City to be used for library improvements.

Museum Donation Fund – This fund was established with donations made to the City to be used for the museum.

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

Electric Fund – This fund was established to account for all operations of the electric utility services provided by the City.

Water Fund – This fund was established to account for all operations of the water utility services provided by the City.

Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the City.

Sanitation Fund – This fund was established to account for all operations of the sanitation utility services provided by the City.

Fiduciary funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the City's own programs. The City has one pension (and other employee benefit) trust fund.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Note A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

Fiduciary funds focus on net position and are reported using accounting principles similar to proprietary funds. The City's fiduciary funds are presented in the fiduciary fund financial statements by fund type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address the activities or obligations of the City, these funds are not incorporated into the government-wide financial statements.

A.4 – Basis of accounting

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

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

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

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

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

A.5 – Encumbrances

The City does not utilize encumbrance accounting.

A.6 – Cash and cash equivalents

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

A.7 – Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

A.8 – Receivables

Monthly charges for electric, water, sewer, sanitation and street services are included with monthly utility billings. All receivables are reported net of estimated uncollectible accounts. An allowance for doubtful accounts has been established in the Electric Fund, Water Fund, Sewer Fund and Sanitation Fund in the amount of \$42,746, \$5,405, \$6,595 and \$6,517, respectively, based on management's review of billings.

A.9 – Inventories

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

A.10 – Capital assets

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

All capital assets, other than equipment, with a unit cost greater than \$5,000 and an estimated useful life in excess of two years are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Equipment with a unit cost greater than \$3,000 with an estimated useful life of greater than two years are capitalized by the City. Donated capital assets are recorded at their fair value on the date received. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) will be capitalized on a prospective basis beginning in 2004.

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Land improvements	15 years	15 years
Distribution systems	10-50 years	10-50 years
Buildings & Improvements	20-40 years	20-40 years
Machinery and equipment	3-10 years	3-10 years
Vehicles	5 years	5 years
Street improvements	5 years	5 years

A.11 – Compensated absences

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

Vacation leave

Full-time employees are entitled to varying hours of vacation leave depending on the number of years of eligible service, up to 160 hours per year after completing 15 years of eligible service. Upon termination of employment, employees will be paid for any unused vacation time that has not been taken through the last day of work. In the event that available vacation leave is not used by the end of the benefit year, employees will forfeit the unused amounts. As such, no amount is reported in the financial statements.

Sick leave

Full-time employees are entitled to 80 hours of sick leave annually, with accumulations up to 480 hours after completing 10 years of eligible service. Sick leave benefits are intended solely to provide income protection in the event of illness or injury. Upon termination of employment, employees will not be paid for any unused sick leave time.

A.12 – Accrued liabilities and long-term obligations

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

A.13 – Net position

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

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

A.14 – Operating revenues and expenses

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

A.15 – Interfund transactions

Quasi-external 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 reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.16 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City council and that are either unusual in nature or infrequent in occurrence. The City had no transactions that qualify as extraordinary or special items during the year.

A.17 – Fund balance

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

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

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note B – Cash and investments

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

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of year-end, the City had total deposits of \$6,419,094, of which \$500,000 was insured and \$5,919,094 was collateralized with securities held by the pledging institution’s trust department or agent in the City’s name.

Investments

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

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

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

Note C – Receivables

Receivables at year-end consist of the following:

	Governmental Activities	Business-type Activities	Total Receivables
Utility accounts	\$ -	\$ 452,123	\$ 452,123
Property taxes	443,523	-	443,523
Accounts	513,234	-	513,234
Interest	-	29,120	29,120
Total	<u>\$ 956,757</u>	<u>\$ 481,243</u>	<u>\$ 1,438,000</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note C – Receivables (Continued)

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

Note D – Interfund transactions

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

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental funds</u>		
General Fund	\$ -	\$ 230,218
Electric Fund	100,000	1,040,352
Water Fund	886,532	-
Sewer Fund	775,236	100,000
Sanitation Fund	-	467,780
Other Governmental Funds	96,046	25
Fiduciary Fund	-	19,439
	<u>-</u>	<u>19,439</u>
Total	<u>\$ 1,857,814</u>	<u>\$ 1,857,814</u>

The balance of \$100,000 advanced to the Sewer Fund from the Electric Fund resulted from a loan made to provide financing resources for the wastewater facility improvements.

All remaining balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Electric Fund	\$ 925,000
General Fund	Water Fund	50,000
General Fund	Other Governmental Funds	5,258
Other Governmental Funds	General Fund	<u>14,825</u>
Totals		<u>\$ 995,083</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note D – Interfund transactions (Continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The City annually transfers funds from certain of the Proprietary Funds (Electric and Water Funds) to provide support for various departments within the General Fund. Additionally, the City transferred \$5,258 from the Other Governmental Funds to the General Fund to support youth programs. The City also transferred designated museum donations from the General to the Other Governmental Funds of \$14,825 at the inception of the Museum Donation Fund.

Note E – Capital assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 1,581,135	\$ -	\$ -	\$ 1,581,135
Collection of library books	395,235	-	-	395,235
Construction in progress	<u>122,819</u>	<u>556,530</u>	<u>(354,601)</u>	<u>324,748</u>
Total capital assets, not being depreciated	2,099,189	556,530	(354,601)	2,301,118
Capital assets, being depreciated:				
Infrastructure	2,837,978	138,843	354,601	3,331,422
Land improvements	12,313,745	-	-	12,313,745
Buildings and improvements	6,507,294	-	-	6,507,294
Vehicles	1,967,590	99,798	-	2,067,388
Machinery and equipment	<u>2,574,019</u>	<u>165,567</u>	<u>-</u>	<u>2,739,586</u>
Total capital assets, being depreciated	<u>26,200,626</u>	<u>404,208</u>	<u>354,601</u>	<u>26,959,435</u>
Total capital assets	28,299,815	960,738	-	29,260,553
Less accumulated depreciation for:				
Infrastructure	(1,859,348)	(87,141)	-	(1,946,489)
Land improvements	(6,590,945)	(495,707)	-	(7,086,652)
Buildings and improvements	(2,670,749)	(165,021)	-	(2,835,770)
Vehicles	(1,824,616)	(66,582)	-	(1,891,198)
Machinery and equipment	<u>(2,181,243)</u>	<u>(104,722)</u>	<u>-</u>	<u>(2,285,965)</u>
Total accumulated depreciation	<u>(15,126,901)</u>	<u>(919,173)</u>	<u>-</u>	<u>(16,046,074)</u>
Governmental activities capital assets, net	<u>\$ 13,172,914</u>	<u>\$ 41,565</u>	<u>\$ -</u>	<u>\$ 13,214,479</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 396,161	\$ -	\$ -	\$ 396,161
Water rights	<u>352,000</u>	<u>-</u>	<u>-</u>	<u>352,000</u>
Total capital assets, not being depreciated	748,161	-	-	748,161
Capital assets, being depreciated				
Distribution systems	18,970,047	-	-	18,970,047
Buildings and improvements	353,172	5,623	-	358,795
Vehicles	695,219	50,519	-	745,738
Machinery and equipment	<u>1,104,187</u>	<u>250,600</u>	<u>(145,247)</u>	<u>1,209,540</u>
Total capital assets, being depreciated	<u>21,122,625</u>	<u>306,742</u>	<u>(145,247)</u>	<u>21,284,120</u>
Total capital assets	21,870,786	306,742	(145,247)	22,032,281
Less accumulated depreciation for:				
Distribution systems	(5,985,412)	(494,678)	-	(6,480,090)
Building and improvements	(269,103)	(5,832)	-	(274,935)
Vehicles	(610,283)	(30,685)	-	(640,968)
Machinery and equipment	<u>(842,373)</u>	<u>(56,818)</u>	<u>145,247</u>	<u>(753,944)</u>
Total accumulated depreciation	<u>(7,707,171)</u>	<u>(588,013)</u>	<u>145,247</u>	<u>(8,149,937)</u>
Business-type activities capital assets, net	<u>\$ 14,163,615</u>	<u>\$ (281,271)</u>	<u>\$ -</u>	<u>\$ 13,882,344</u>

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

Governmental activities	
General government	\$ 49,109
Public safety	146,045
Public works	569,256
Culture and recreation	<u>154,763</u>
Total governmental activities	919,173

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note E – Capital assets (Continued)

Business-type activities

Electric	85,462
Water	206,290
Sewer	248,372
Sanitation	<u>47,889</u>

Total business-type activities 588,013

Total depreciation expense \$ 1,507,186

Note F – Long-term debt

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Adjustments/ Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Business-type activities					
Notes payable	\$ 4,111,174	\$ <u> -</u>	\$ <u>(163,090)</u>	\$ 3,948,084	\$ <u>165,143</u>

Notes payable

CWRPDA Note payable – Sewer Fund – The City has entered into a \$1,634,200 note agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) dated September 20, 2016, due in semi-annual installments ranging from \$7,530 to \$46,051, including interest, through 2037. The interest rate for the agreement is 1.000%. The agreement was entered into in order to facilitate the modification of the City's wastewater treatment facility.

\$ 1,160,385

CWRPDA Note payable – Water Fund – The City has entered into a \$3,000,000 note agreement with the Colorado Water Resources and Power Development Authority (CWRPDA) dated February 13, 2020, due in semi-annual installments ranging from \$10,379 to \$62,972, including interest, through 2050. The interest rate for the agreement is 1.500%. The agreement was entered into to update underground water lines, storm drainage lines and storm inlets along Main Street.

2,787,699

Total \$ 3,948,084

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note F – Long-term debt (Continued)

The City's outstanding notes with CWRPDA in the amount of \$3,948,084 are secured with collateral of the net revenue from operation and use of the system as defined in the loan agreement. This outstanding note contains (1) a provision that in an event of default as defined in the loan agreement, the Authority shall have the right to withhold disbursement of loan funds remaining, and take such other action at law or in equity as may appear necessary to enforce the performance and observance of any duty, covenant, obligation, or agreement including, without limitation, appointment ex parte of a receiver of the system.

The following schedule represents the City's debt service requirements to maturity for the outstanding notes payable at year-end:

<u>Year ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 165,143	\$ 52,903
2025	167,224	50,822
2026	169,331	48,715
2027	171,467	46,579
2028	173,630	44,416
2029-2033	901,607	188,623
2034-2038	821,270	130,808
2039-2043	544,467	85,257
2044-2048	586,708	43,016
2049-2050	<u>247,237</u>	<u>4,653</u>
Total	<u>\$ 3,948,084</u>	<u>\$ 695,792</u>

Note G – Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has affiliated with the Colorado Intergovernmental Risk Sharing Agency (CIRSA) to provide protection against losses incurred related to property, casualty, general liability and workers compensation claims. CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of the Colorado Revised Statutes and the Colorado Constitution. The purposes of CIRSA are to provide members defined liability, property and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees, or officers. The City makes an annual contribution to CIRSA for its insurance coverage. For the year, the City's financial contribution to CIRSA was \$210,730. Contingent liability claims for the coverage have not been recognized to date after reviewing claim history and the remoteness of potential loss in excess of actual contributions by the City. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans

The City is covered under five separate pension plans. In addition, employees may also make voluntary contributions to the LFDTF's voluntary investment program or FPPA's deferred compensation plan as discussed in Notes J and K, respectively.

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Pension Expense</u>
PERA - LGDTF	\$ 1,116,644	\$ 56,814	\$ 2,133,221	\$ -	\$ 182,186
SWDB	240,394	52,785	35,107	-	14,511
City of Wray Volunteer Fire	<u>60,941</u>	<u>127,860</u>	<u>371,756</u>	<u>-</u>	<u>15,453</u>
Total	<u>\$ 1,417,979</u>	<u>\$ 237,459</u>	<u>\$ 2,540,084</u>	<u>\$ -</u>	<u>\$ 212,150</u>

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

PERA – Local Government Division Trust Fund

Summary of significant accounting policies

Pensions. The City participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the pension plan

Plan description. Eligible employees of the City are provided with pensions through the LGDTF – a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Benefits provided as of December 31, 2022. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. Section 24-51-602, 604, 1713, and 1714.

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

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

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. Section 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. Section 24-51.413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. For State Troopers whose disability is caused by an on-the-job injury, the five-year service requirement is waived and they are immediately eligible to apply for disability benefits. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions as of December 31, 2023. Eligible employees and the City are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. Section 24-51-401, *et seq.* and Section 24-51-413. Employee contribution rates for the year are summarized in the table below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023
Employee contribution (all employees other than State Troopers)	8.50%	9.00%	9.00%	9.00%
State Troopers	12.50%	13.00%	13.00%	13.00%

** Contribution Rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. Section 24-51-101(42).

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

The employer contribution requirements for all employees other than State Troopers are summarized in the table below:

	January 1, 2022 Through June 30, 2022	July 1, 2022 Through December 31, 2022	January 1, 2023 Through June 30, 2023	July 1, 2023 Through December 31, 2023
Employer contribution rate	10.50%	11.00%	11.00%	11.00%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Section 24-51-208(1)(f)	(1.02)%	(1.02)%	(1.02)%	(1.02)%
Amount apportioned to the LGDTF	9.48%	9.98%	9.98%	9.98%
Amortization equalization disbursement (AED) as specified in C.R.S. Section 24-51-411	2.20%	2.20%	2.20%	2.20%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. Section 24-51-411	1.50%	1.50%	1.50%	1.50%
Defined Contribution Supplement as specified in C.R.S. Section 24-51-41	0.03%	0.03%	0.06%	0.06%
Total employer contribution rate to the LGDTF	13.21%	13.71%	13.74%	13.74%

** Contribution Rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. Section 24-51-101(42).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. Employer contributions recognized by the LGDTF from the City were \$259,402 for the year ended December 31, 2023.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The net pension liability for the LGDTF was measured as of December 31, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year 2022 relative to the total contributions of participating employers.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

At year-end, the City reported a liability of \$2,133,221 for its proportionate share of the net pension liability.

At December 31, 2022, the City's proportion was 0.2128 percent, which was a decrease of .0058% from its proportion measured as of December 31, 2021.

For the year, the City recognized pension expense of \$182,186. At year-end, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 10,651
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	857,242	22,971
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	23,192
Contributions subsequent to the measurement date	<u>259,402</u>	<u>-</u>
Total	<u>\$ 1,116,644</u>	<u>\$ 56,814</u>

\$259,402 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	<u>Amount</u>
2024	\$ (134,669)
2025	111,312
2026	313,510
2027	<u>510,275</u>
Totals	<u>\$ 800,428</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Actuarial assumptions. The TPL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than State Troopers	3.20% - 11.30%
State Troopers	3.20% - 12.40%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (compounded annually)	1.00%
PERA benefit structure hired after 12/31/06:	Financed by the AIR

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

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

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

Pre-retirement mortality assumptions for members other than State Troopers were based on the PubG-2010 Employee Table with generational projection using scale MP-2019.

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

Post-retirement non-disabled mortality assumptions for members other than State Troopers were based on the PubG-2010 Healthy Retiree Table, adjusted as follows:

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

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

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

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

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

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

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

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
Global equity	54.00%	5.60%
Fixed income	23.00%	1.30%
Private equity	8.50%	7.10%
Real estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	<u>100.00%</u>	

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

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

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

	1% Decrease <u>(6.25%)</u>	Current Discount <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Proportionate share of the net pension liability	<u>\$ 3,581,141</u>	<u>\$ 2,133,221</u>	<u>\$ 921,072</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Payables to the pension plan

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

Statewide Defined Benefit Plan

Summary of significant accounting policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire & Police Statewide Defined Benefit Plan and additions to/deductions from Fire & Police Statewide Defined Benefit Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire & Police Pension Association of Colorado. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General information about the pension plan

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

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

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

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

Contributions to the Plan from the City during the year ended December 31, 2023 were \$32,235.

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

At December 31, 2023 the City reported a liability of \$35,107 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2022, the City's proportion was .0396 percent, which was an increase of .0041 percent from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$14,511. 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	\$ 73,956	\$ 3,981
Changes of assumptions or other inputs	39,355	-
Net difference between projected and actual earnings on pension plan investments	92,353	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,495	48,804
Contributions subsequent to the measurement date	<u>32,235</u>	<u>-</u>
Total	<u>\$ 240,394</u>	<u>\$ 52,785</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

\$32,235 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31, _____	Amount
2024	\$ 15,525
2025	28,763
2026	39,873
2027	55,341
2028	5,380
2029	4,125
2030	3,185
2031	<u>3,182</u>
Totals	<u>\$ 155,374</u>

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

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

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

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

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

	1% Decrease <u>(6.00%)</u>	Current Discount <u>(7.00)</u>	1% Increase <u>(8.00)</u>
Proportionate share of the net pension liability (asset)	\$ <u>242,024</u>	\$ <u>35,107</u>	\$ <u>(136,287)</u>

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Payables to the pension plan

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

City of Wray Volunteer Fire Pension Plan

Summary of significant accounting policies

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

General information about the pension plan

Plan description. The City's defined benefit pension plan, City of Wray Volunteer Fire Pension Plan, provides retirement and death benefits to plan members and beneficiaries for volunteer firefighters. The plan is a single-employer pension plan administered by the Pension Board. The Pension Board has the authority to establish and amend the benefit provisions of the plan.

Management of the City of Wray Volunteer Fire Pension Fund is vested in the local Pension Board, which consists of one council member, the city clerk, the fire chief, one retired volunteer and one current volunteer of the local fire department serving the City.

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

Inactive plan members or beneficiaries currently receiving benefits	35
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>28</u>
Total	<u>66</u>

Benefits provided. The City of Wray Volunteer Fire Department Pension Plan provides retirement and death benefits. Any firefighter who has both reached the age of 50 and completed 20 years of active service shall be eligible for a monthly pension (currently \$70 per month). The plan also provides for a lump-sum burial benefit of \$100 upon death of an active firefighter.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Contributions. Contribution requirements of the City are established by the local Pension Board. The plan is noncontributory regarding participants. Contributions to the plan for the year ended December 31, 2023 included \$24,732 from the City (one-half mill levy and related specific ownership taxes), and \$10,347 from the State of Colorado matching funds.

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

At December 31, 2023 the City reported a net pension liability of \$371,756. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

For the year ended December 31, 2023, the City recognized pension expense of \$15,453. At December 31, 2023 the City reported deferred outflows 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	\$ 15,777	\$ 11,765
Changes of assumptions or other inputs	-	116,095
Net difference between projected and actual earnings on pension plan investments	20,432	-
Contributions subsequent to the measurement date	<u>24,732</u>	<u>-</u>
Total	<u>\$ 60,941</u>	<u>\$ 127,860</u>

\$24,732 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Year Ended December 31, _____	Amount
2024	\$ (160)
2025	(1,816)
2026	(3,496)
2027	(3,391)
2028	(7,324)
Thereafter	<u>(75,464)</u>
Totals	<u>\$ <u>(91,651)</u></u>

Actuarial assumptions. The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age actuarial
Amortization method	Level dollar, open
Remaining amortization period	40 years
Asset valuation method	Market value
Inflation	2.75%
Salary increases	N/A
Investment rate of return	1.75% per annum compounded annually
Retirement age	Age 50 and 20 years of service

Mortality rates were based on the Modified 1994 Group Annuity Mortality Table for males.

The long-term expected rate of return on pension plan investments was determined using a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense). These amounts are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the asset allocation percentage. Best estimates of arithmetic real rates of return for the City's current holdings of cash and certificates of deposit included in the Plan's assets as of December 31, 2022, are summarized in the above table.

Discount rate. The discount rate used to measure the total pension liability was 4.50 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive volunteers. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note H – Pension Plans (Continued)

Changes in the net pension liability/(asset)

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at beginning of year	\$ 542,706	\$ 168,120	\$ 374,586
Changes for the year			
Service cost	8,299	-	8,299
Interest on total pension liability	24,187	-	24,187
Benefit changes	-	-	-
Difference between expected and actual experience	(12,384)	-	(12,384)
Changes of assumptions	-	-	-
Contributions – employer	-	25,250	(25,250)
Contributions – state of Colorado	-	9,669	(9,669)
Net investment income	-	(11,987)	11,987
Benefit payments	(24,950)	(24,950)	-
Administrative expenses	-	-	-
Net changes	<u>(4,848)</u>	<u>(2,018)</u>	<u>(2,830)</u>
Balances at end of year	<u>\$ 537,858</u>	<u>\$ 166,102</u>	<u>\$ 371,756</u>

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(3.50%)</u>	<u>(4.50%)</u>	<u>(5.50%)</u>
Net pension liability	<u>\$ (443,034)</u>	<u>\$ (371,756)</u>	<u>\$ (313,188)</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued City of Wray Fireman Pension Fund financial report.

Payables to the pension plan

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

DPS Benefit Structure

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City were \$19,276 for the year ended December 31, 2023.

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

At year-end, the City reported a liability of \$140,169 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the City's proportion was 0.0172%, which was an increase of 0.0002% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized OPEB expense of \$(1,914). At year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 18	\$ 33,331
Changes of assumptions or other inputs	2,218	15,383
Net difference between projected and actual earnings on OPEB plan investments	8,728	63
Changes in proportion and differences between contributions recognized and proportionate share of contributions	4,800	240
Contributions subsequent to the measurement date	<u>19,276</u>	<u>-</u>
Total	<u>\$ 35,040</u>	<u>\$ 49,017</u>

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

\$19,276 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,___	<u>Amount</u>
2024	\$ (12,322)
2025	(11,576)
2026	(4,911)
2027	(417)
2028	(3,280)
2029	<u>(747)</u>
Total	<u>\$ (33,253)</u>

Actuarial assumptions. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs for the School Division:

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40%-11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	6.50% in 2022, gradually decreasing to 4.50% in 2030
Medicare Part A premiums	3.75% in 2022, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

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

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

- **Males:** 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

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

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

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

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

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

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

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERACare Medicare trend rate ¹	5.25%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Net OPEB Liability	\$ 136,202	\$ 140,169	\$ 144,487

¹For the January 1, 2023, plan year.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note I – Defined benefit other post-employment benefit (OPEB) plan (Continued)

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Proportionate share of the net OPEB liability	\$ <u>162,498</u>	\$ <u>140,169</u>	\$ <u>121,072</u>

OPEB plan fiduciary net position. Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Payables to the OPEB plan

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

Note J – Defined contribution pension plan

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan description - Employees of the City that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding policy - The PERAPlus 401(k) Plan is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The City does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2023, program members contributed \$18,112 for the PERAPlus 401(k) Plan.

Note K – Deferred compensation plan

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

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note K – Deferred compensation plan (Continued)

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

Note L – Commitments and contingencies

Federal and state funding

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

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the City under specified voting requirements by the entire electorate.

In November, 1993, the voters of the City approved a ballot initiative permitting the City to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds of the City's sales and use tax, non-federal grants, fees and other revenues, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution.

In November 2007, the voters of the City approved a ballot initiative permitting the City to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure the full proceeds of the City's property tax revenues generated from the mill levy for general municipal purposes, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution.

CITY OF WRAY, COLORADO
Notes to Financial Statements

Note L – Commitments and contingencies (Continued)

TABOR is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of TABOR. However, the City has made certain interpretations of TABOR's language in order to determine its compliance. The City has reserved funds in the General Fund in the amount of \$104,000 for the emergency reserve.

CWRPDA loan covenants – Water and Sewer Funds

Rate covenant – during the loan term, the City shall establish, impose and collect, rents, rates and other charges for the products and services provided by the system, which shall be at least sufficient, together with other amounts available therefore, and after meeting the operation and maintenance expenses of the system, to pay 110% of the debt service coming due in such calendar year. The City believes it has met this requirement for the year ended December 31, 2023.

Operations and maintenance fund – the City shall maintain an operations and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the annual budget for the current fiscal year. Said reserve may be in the form of unobligated fund balances or other unobligated cash or securities or may be in a separate segregated fund. Unobligated fund balances in the Water and Sewer Funds exceeded the required reserve by \$1,210,178 and \$1,040,199, respectively.

Required Supplementary Information

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

- Schedule of the City's Proportionate Share of the Net Pension Liability – PERA's Local Government Division Trust Fund
- Schedule of City Contributions – PERA's Local Government Division Trust Fund
- Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Police Statewide Defined Benefit Plan
- Schedule of City Contributions – Police Statewide Defined Benefit Plan
- Schedule of Changes in the City's Net Pension Liability/(Asset) and Related Ratios – City of Wray Volunteer Fire Pension Plan
- Schedule of City Contributions – City of Wray Volunteer Fire Pension Plan
- Schedule of the City's Proportionate Share of the Net OPEB Liability – PERA's Health Care Trust Fund
- Schedule of City Contributions – PERA's Health Care Trust Fund
- General Fund – Budgetary Comparison Schedule
- Notes to the Required Supplementary Information

CITY OF WRAY, COLORADO**Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset)****PERA's Local Government Division Trust Fund****December 31, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability/(asset)	0.2128%	0.2186%	0.2220%	0.2171%
City's proportionate share of the net pension liability/(asset)	\$ 2,133,221	\$ (187,451)	\$ 1,156,699	\$ 1,588,126
City's covered payroll	\$ 1,744,556	\$ 1,628,778	\$ 1,568,327	\$ 1,496,590
City's proportionate share of the net pension liability/(asset) as a percentage of its employee payroll	122.28%	-11.51%	73.75%	106.12%
Plan fiduciary net position as a percentage of the total pension liability	82.99%	101.49%	90.88%	86.26%

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

2019	2018	2017	2016	2015	2014
0.2136%	0.2111%	0.2301%	0.2085%	0.2189%	0.2209%
\$ 2,685,209	\$ 2,350,739	\$ 3,106,536	\$ 2,296,570	\$ 1,962,368	\$ 1,817,665
\$ 1,402,247	\$ 1,331,871	\$ 1,394,425	\$ 1,184,001	\$ 1,199,687	\$ 1,178,413
191.49%	176.50%	222.78%	193.97%	163.57%	154.25%
75.96%	79.37%	73.60%	76.90%	80.70%	77.66%

CITY OF WRAY, COLORADO
Schedule of City Contributions
PERA's Local Government Division Trust Fund
December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 259,402	\$ 234,492	\$ 214,742	\$ 202,611
Contributions in relation to the contractually required contribution	<u>(259,402)</u>	<u>(234,492)</u>	<u>(214,742)</u>	<u>(202,611)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,889,829	\$ 1,744,556	\$ 1,628,778	\$ 1,568,327
Contributions as a percentage of covered payroll	13.73%	13.44%	13.18%	12.92%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 189,606	\$ 177,632	\$ 168,881	\$ 176,813	\$ 150,131	\$ 152,120
<u>(189,606)</u>	<u>(177,632)</u>	<u>(168,881)</u>	<u>(176,813)</u>	<u>(150,131)</u>	<u>(152,120)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,496,590	\$ 1,402,247	\$ 1,331,871	\$ 1,394,425	\$ 1,184,001	\$ 1,199,687
12.67%	12.67%	12.68%	12.68%	12.68%	12.68%

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

	2023	2022	2021	2020
City's proportion of the net pension liability/(asset)	0.0396%	0.0355%	0.0334%	0.0348%
City's proportionate share of the net pension liability/(asset)	\$ 35,107	\$ (192,517)	\$ (72,435)	\$ (19,660)
City's covered payroll	\$ 344,111	\$ 285,976	\$ 267,988	\$ 256,200
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	10.2%	-67.3%	-27.0%	-7.7%
Plan fiduciary net position as a percentage of the total pension liability	97.60%	116.20%	106.70%	101.90%

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

2019	2018	2017	2016	2015	2014
0.0271%	0.0500%	0.0593%	0.0594%	0.0650%	0.0655%
\$ 34,218	\$ (71,874)	\$ 21,427	\$ (1,048)	\$ (73,401)	\$ (58,547)
\$ 181,300	\$ 292,225	\$ 303,475	\$ 288,063	\$ 292,481	\$ 284,387
18.9%	-24.6%	7.1%	-0.4%	-25.1%	-20.6%
95.20%	106.30%	98.21%	100.10%	106.80%	105.80%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 32,235	\$ 30,970	\$ 24,308	\$ 21,439
Contributions in relation to the contractually required contribution	<u>(32,235)</u>	<u>(30,970)</u>	<u>(24,308)</u>	<u>(21,439)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 339,320	\$ 344,111	\$ 285,976	\$ 267,988
Contributions as a percentage of covered payroll	9.50%	9.00%	8.50%	8.00%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 20,496	\$ 14,504	\$ 23,378	\$ 24,278	\$ 23,045	\$ 23,398
<u>(20,496)</u>	<u>(14,504)</u>	<u>(23,378)</u>	<u>(24,278)</u>	<u>(23,045)</u>	<u>(23,398)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 256,200	\$ 181,300	\$ 292,225	\$ 303,475	\$ 288,063	\$ 292,481
8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

CITY OF WRAY, COLORADO**Schedule of Changes in the City's Net Pension Liability/(Asset) and Related Ratios ¹****City of Wray Volunteer Fire Pension Plan****Last 10 Fiscal Years**

	2023	2022	2021
Total pension liability			
Service cost	\$ 8,299	\$ 8,622	\$ 8,657
Interest on the total pension liability	24,187	23,668	23,038
Benefit changes	-	-	-
Plan amendment	-	-	-
Differences between expected and actual experience	(12,384)	4,521	7,532
Assumption changes	-	-	-
Benefit payments	(24,950)	(25,200)	(25,200)
Net change in total pension liability	(4,848)	11,611	14,027
Total pension liability - beginning	542,706	530,974	516,947
Total pension liability - ending (a)	<u>\$ 537,858</u>	<u>\$ 542,585</u>	<u>\$ 530,974</u>
Plan fiduciary net position			
Employer contributions	\$ 25,250	\$ 33,751	\$ 27,669
Pension plan net investment income	(11,987)	7,232	(2,252)
Benefit payments	(24,950)	(25,200)	(25,200)
Pension plan administrative expenses	-	-	-
State of Colorado matching funds	9,669	9,530	9,113
Adjustment to beginning balance	-	-	-
Net change in plan fiduciary net position	(2,018)	25,313	9,330
Plan fiduciary net position - beginning	168,120	142,807	133,477
Plan fiduciary net position - ending (b)	<u>\$ 166,102</u>	<u>\$ 168,120</u>	<u>\$ 142,807</u>
City's net pension liability/(asset) - ending (a) - (b)	<u>\$ 371,756</u>	<u>\$ 374,465</u>	<u>\$ 388,167</u>
Plan fiduciary net position as a percentage of the total pension liability	30.88%	30.99%	26.90%
Covered payroll	N/A	N/A	N/A
City's net pension liability as a percentage of covered payroll	N/A	N/A	N/A

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

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

2020	2019	2018	2017	2016	2015
\$ 9,325	\$ 9,584	\$ 14,913	\$ 10,960	\$ 10,222	\$ 9,966
22,444	13,118	13,106	12,785	12,527	12,214
-	-	-	-	-	-
-	-	-	94,857	-	-
6,944	-	(11,626)	7,614	8,184	7,979
-	(154,794)	-	40,525	-	-
(24,430)	(25,200)	(23,520)	(22,120)	(19,120)	(18,240)
14,283	(157,292)	(7,127)	144,621	11,813	11,919
502,664	659,956	667,083	522,462	510,649	498,730
<u>\$ 516,947</u>	<u>\$ 502,664</u>	<u>\$ 659,956</u>	<u>\$ 667,083</u>	<u>\$ 522,462</u>	<u>\$ 510,649</u>
\$ 32,511	\$ 21,361	\$ 20,798	\$ 20,922	\$ 11,754	\$ 10,715
(2,658)	528	(3,324)	(3,338)	540	537
(24,430)	(25,200)	(23,520)	(22,120)	(19,120)	(18,240)
-	-	-	-	-	-
8,861	7,900	8,463	7,884	7,530	7,417
-	-	-	(296)	-	-
14,284	4,589	2,417	3,052	704	429
119,193	114,604	112,187	109,135	108,431	108,002
<u>\$ 133,477</u>	<u>\$ 119,193</u>	<u>\$ 114,604</u>	<u>\$ 112,187</u>	<u>\$ 109,135</u>	<u>\$ 108,431</u>
<u>\$ 383,470</u>	<u>\$ 383,471</u>	<u>\$ 545,352</u>	<u>\$ 554,896</u>	<u>\$ 413,327</u>	<u>\$ 402,218</u>
25.82%	23.71%	17.37%	16.82%	20.89%	21.23%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

CITY OF WRAY, COLORADO
Schedule of City Contributions
City of Wray Volunteer Fire Pension Plan
Last 10 Fiscal Years

Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Actuarial Contribution as a % of Covered Payroll
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2023	\$ 30,527	\$ 35,079	\$ (4,552)	N/A	N/A
2022	\$ 30,298	\$ 34,919	\$ (4,621)	N/A	N/A
2021	\$ 31,426	\$ 33,231	\$ (1,805)	N/A	N/A
2020	\$ 31,185	\$ 36,783	\$ (5,598)	N/A	N/A
2019	\$ 31,853	\$ 31,372	\$ 481	N/A	N/A
2018	\$ 33,456	\$ 29,261	\$ 4,195	N/A	N/A
2017	\$ 35,203	\$ 29,261	\$ 5,942	N/A	N/A
2016	\$ 29,053	\$ 28,806	\$ 247	N/A	N/A
2015	\$ 35,395	\$ 19,284	\$ 16,111	N/A	N/A
2014	\$ 35,395	\$ 18,132	\$ 17,263	N/A	N/A

* Includes both employer and State of Colorado matching funds.

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CITY OF WRAY, COLORADO
Schedule of Investment Returns
City of Wray Volunteer Fire Pension Plan
Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	4.50%	0.83%	1.76%	1.44%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
1.22%	0.78%	0.62%	0.62%	0.50%	0.50%

CITY OF WRAY, COLORADO
Schedule of the City's Proportionate Share of the Net OPEB Liability ¹
PERA's Health Care Trust Fund
December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net OPEB liability	0.0172%	0.0170%	0.0169%	0.0166%
City's proportionate share of the net OPEB liability	\$ 140,169	\$ 146,490	\$ 160,781	\$ 186,856
City's covered payroll	\$ 1,742,106	\$ 1,626,078	\$ 1,564,702	\$ 1,494,790
City's proportionate share of the net OPEB liability as a percentage of its employee payroll	8.05%	9.01%	10.28%	12.50%
Plan fiduciary net position as a percentage of the total OPEB liability	38.57%	39.40%	32.78%	24.49%

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

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

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.0166%	0.0164%	0.0177%
\$ 225,262	\$ 213,175	\$ 228,933
\$ 1,400,322	\$ 1,331,871	\$ 1,394,425
16.09%	16.01%	16.42%
17.03%	17.53%	16.72%

CITY OF WRAY, COLORADO
Schedule of City Contributions ¹
PERA's Health Care Trust Fund
December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 19,276	\$ 17,769	\$ 16,586	\$ 15,960
Contributions in relation to the contractually required contribution	<u>(19,276)</u>	<u>(17,769)</u>	<u>(16,586)</u>	<u>(15,960)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,889,829	\$ 1,742,106	\$ 1,626,078	\$ 1,564,702
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 15,247	\$ 14,283	\$ 13,583	\$ 14,221
<u>(15,247)</u>	<u>(14,283)</u>	<u>(13,583)</u>	<u>(14,221)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,494,790	\$ 1,400,322	\$ 1,331,871	\$ 1,394,425
1.02%	1.02%	1.02%	1.02%

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

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Taxes	\$ 2,039,621	\$ 2,039,621	\$ 2,223,568	\$ 183,947
Licenses and permits	13,325	13,325	12,543	(782)
Intergovernmental	4,596,027	4,596,027	758,772	(3,837,255)
Fines and forfeitures	1,404	1,404	19,275	17,871
Charges for services	400,640	400,640	445,286	44,646
Miscellaneous	393,377	393,377	90,984	(302,393)
Total revenues	7,444,394	7,444,394	3,550,428	(3,893,966)
Expenditures				
Current				
General government	1,428,300	1,428,300	865,220	563,080
Public safety	1,967,040	1,967,040	1,850,445	116,595
Public works	3,655,929	3,655,929	929,467	2,726,462
Culture and recreation	2,430,672	2,430,672	1,144,370	1,286,302
Appropriated reserves	102,891	102,891		102,891
Total expenditures	9,584,832	9,584,832	4,789,502	4,795,330
Excess of revenues over (under) expenditures	(2,140,438)	(2,140,438)	(1,239,074)	901,364
Other financing sources (uses)				
Sale of assets	150,000	150,000		(150,000)
Transfers in	1,505,258	1,505,258	980,258	(525,000)
Transfers out			(14,825)	(14,825)
Total other financing sources (uses)	1,655,258	1,655,258	965,433	(689,825)
Net change in fund balance	\$ (485,180)	\$ (485,180)	(273,641)	\$ 211,539
Fund balance at beginning of year			573,128	
Fund balance at end of year			\$ 299,487	

CITY OF WRAY, COLORADO
Notes to the Required Supplementary Information

Note A – Budgetary data

Annual budgets are established for all funds of the City as required by its local code. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles except for the enterprise funds (electric, water, sanitation and sewer) in which capital and principal retirement expenses are treated as operating expenses and depreciation expense is not budgeted.

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

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

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

CITY OF WRAY, COLORADO
Notes to the Required Supplementary Information

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

PERA – Local Government Division Trust Fund and Health Care Trust Fund

Information about factors that significantly affect trends in the amounts reported in the Schedules of the City's Proportionate Share of the Net Pension and OPEB Liabilities and the Schedules of City Contributions is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

FPPA – Police Statewide Defined Benefit Plan

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

Other Supplementary Information

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

Such statements and schedules include:

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

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Budgetary Comparison Schedules – General Fund

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

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

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Taxes				
Property taxes	\$ 430,000	\$ 430,000	\$ 432,422	\$ 2,422
Specific ownership taxes	46,553	46,553	43,290	(3,263)
Penalties and interest on taxes	1,363	1,363	1,367	4
Franchise taxes	26,082	26,082	20,219	(5,863)
Sales taxes	1,470,536	1,470,536	1,600,668	130,132
Severance taxes	15,000	15,000	76,100	61,100
Lodging taxes	50,087	50,087	49,502	(585)
Total taxes	2,039,621	2,039,621	2,223,568	183,947
Licenses and permits	13,325	13,325	12,543	(782)
Intergovernmental				
Motor vehicle assessments	9,657	9,657	7,753	(1,904)
Cigarette taxes	3,983	3,983	4,097	114
Weed & clean up	200	200		(200)
Highway users tax	85,000	85,000	89,994	4,994
Road and bridge taxes	25,289	25,289	26,441	1,152
City complex grant	200,000	200,000	93,412	(106,588)
IHOP			29,336	29,336
Outdoor library/community space	1,246,283	1,246,283		(1,246,283)
Fire department grant	13,500	13,500		(13,500)
Ambulance grants	148,750	148,750	85,515	(63,235)
Police grants	124,656	124,656	138,859	14,203
Airport grants	1,011,001	1,011,001	112,889	(898,112)
Library grants	5,000	5,000	5,000	-
Street grant	1,722,708	1,722,708	165,476	(1,557,232)
Total intergovernmental	4,596,027	4,596,027	758,772	(3,837,255)
Fines and forfeitures				
Animal control	624	624	826	202
Police fines			17,643	17,643
Library fines	780	780	806	26
Total fines and forfeitures	1,404	1,404	19,275	17,871

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Charges for services				
Ambulance fees	285,000	285,000	303,865	18,865
Street fees	3,953	3,953	539	(3,414)
Parks user fees	680	680	696	16
Recreation fees	25,674	25,674	32,615	6,941
Swimming pool fees	68,258	68,258	84,075	15,817
Museum fees	3,700	3,700	5,320	1,620
Rental income	13,375	13,375	18,176	4,801
Total charges for services	400,640	400,640	445,286	44,646
Miscellaneous				
Interest on investments	4,100	4,100	9,306	5,206
Donations	224,450	224,450	57,431	(167,019)
Miscellaneous	164,827	164,827	24,247	(140,580)
Total miscellaneous	393,377	393,377	90,984	(302,393)
Total revenues	\$ 7,444,394	\$ 7,444,394	\$ 3,550,428	\$ (3,893,966)

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

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
General government				
Salaries	\$ 199,256	\$ 199,256	\$ 196,578	\$ 2,678
Employee benefits	84,104	84,104	82,871	1,233
Workers compensation	65,000	65,000	46,680	18,320
Contract labor	19,130	19,130	22,503	(3,373)
Supplies	16,000	16,000	12,848	3,152
Repairs and maintenance	3,500	3,500	1,107	2,393
Housekeeping	47,000	47,000	47,440	(440)
Insurance	170,000	170,000	153,496	16,504
Training	6,500	6,500	151	6,349
Professional services	20,000	20,000	23,887	(3,887)
Meetings and dues	11,000	11,000	9,924	1,076
Audit expense	21,000	21,000	17,700	3,300
Dues and donations	20,000	20,000	17,145	2,855
County treasurer fees	8,600	8,600	9,205	(605)
Election expense	7,000	7,000	3,180	3,820
Grant expenditures	400,000	400,000	217,815	182,185
Development expense	30,000	30,000		30,000
ARPA disbursements	295,210	295,210		295,210
Capital outlay	5,000	5,000	2,690	2,310
Total general government	1,428,300	1,428,300	865,220	563,080
Public safety				
Police				
Salaries	501,909	501,909	434,233	67,676
Employee benefits	281,568	281,568	209,024	72,544
Contract labor	17,400	17,400	17,400	-
Professional services	13,000	13,000	10,532	2,468
Meetings and dues	5,000	5,000	5,410	(410)
Court expense	1,000	1,000	1,025	(25)
Vehicle expense	12,000	12,000	26,474	(14,474)
Repairs and maintenance	15,000	15,000	7,323	7,677
Supplies	11,000	11,000	21,048	(10,048)
Medical expense	2,000	2,000	2,345	(345)
Communications	8,000	8,000	7,975	25
Police operations	35,700	35,700	69,417	(33,717)
Lease expense	4,200	4,200	4,674	(474)
Grant expenditures	131,000	131,000	101,044	29,956
Capital outlay	70,000	70,000	62,808	7,192
Total police	1,108,777	1,108,777	980,732	128,045

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Animal Control				
Salaries	5,690	5,690	5,270	420
Employee benefits	924	924	848	76
Supplies	557	557	698	(141)
Capital outlay	500	500		500
Total animal control	7,671	7,671	6,816	855
Fire				
Supplies	10,000	10,000	13,215	(3,215)
Repairs and maintenance	22,000	22,000	16,261	5,739
Training	3,000	3,000	280	2,720
Professional services	3,000	3,000	1,653	1,347
Firemen's pension	24,870	24,870	24,732	138
Fireworks display	10,000	10,000	10,000	-
Grant expenditures	12,900	12,900		12,900
Total fire	85,770	85,770	66,141	19,629
Ambulance				
Salaries	424,627	424,627	519,838	(95,211)
Employee benefits	173,179	173,179	159,181	13,998
Supplies	39,000	39,000	37,895	1,105
Repairs and maintenance	7,000	7,000	20,387	(13,387)
Vehicle expense	16,000	16,000	18,770	(2,770)
Training	6,000	6,000	5,110	890
Professional services	25,016	25,016	24,757	259
Transfer meals	4,000	4,000	5,342	(1,342)
Communications	5,000	5,000	5,262	(262)
Lease			214	(214)
Grant expenditures	65,000	65,000		65,000
Total ambulance	764,822	764,822	796,756	(31,934)
Total public safety	1,967,040	1,967,040	1,850,445	116,595
Public works				
Highways and streets				
Salaries	162,142	162,142	128,485	33,657
Employee benefits	115,419	115,419	56,555	58,864

(continued)

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

(continued)				
	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Maintenance and repairs	30,000	30,000	44,145	(14,145)
System maintenance	155,000	155,000	242,026	(87,026)
Street repairs	240,000	240,000	105,142	134,858
Supplies	6,500	6,500	10,451	(3,951)
Shop and general	25,000	25,000	15,769	9,231
Vehicle expense	42,000	42,000	25,050	16,950
Training	3,000	3,000	1,084	1,916
Professional services	26,000	26,000	21,789	4,211
Medical expense	2,000	2,000		2,000
Grant expenditures	1,776,990	1,776,990	113,807	1,663,183
Total highways and streets	2,584,051	2,584,051	764,303	1,819,748
Airport				
Salaries	22,319	22,319	19,073	3,246
Employee benefits	3,625	3,625	3,092	533
Supplies	6,434	6,434	7,740	(1,306)
Repairs and maintenance	4,000	4,000	1,667	2,333
Professional services	11,000	11,000	5,574	5,426
Matching expense	4,000	4,000	7,652	(3,652)
Training	500	500		500
Grant expenditures	1,020,000	1,020,000	120,366	899,634
Total airport	1,071,878	1,071,878	165,164	906,714
Total public works	3,655,929	3,655,929	929,467	2,726,462
Culture and recreation				
Pool				
Salaries	106,013	106,013	122,255	(16,242)
Employee benefits	17,217	17,217	20,062	(2,845)
Supplies	47,478	47,478	61,180	(13,702)
Repairs and maintenance	15,000	15,000	20,244	(5,244)
Training	7,000	7,000	6,295	705
Professional services	500	500	155	345
Capital outlay	60,000	60,000	56,070	3,930
Total pool	253,208	253,208	286,261	(33,053)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Recreation				
Salaries	22,604	22,604	19,351	3,253
Employee benefits	3,590	3,590	9,072	(5,482)
Activities	17,835	17,835	26,118	(8,283)
Contract labor	3,000	3,000	2,880	120
Supplies	5,000	5,000	5,732	(732)
Repairs and maintenance	2,500	2,500	3,181	(681)
Training	1,500	1,500	135	1,365
Vehicle expense	1,000	1,000	214	786
Professional services	500	500		500
Total recreation	57,529	57,529	66,683	(9,154)
Parks				
Salaries	74,798	74,798	54,276	20,522
Employee benefits	38,019	38,019	28,970	9,049
Supplies	40,000	40,000	24,163	15,837
Repairs and maintenance	8,000	8,000	10,570	(2,570)
Training	500	500		500
Grant expenditures	80,000	80,000	7,841	72,159
Capital outlay	18,000	18,000	19,461	(1,461)
Total parks	259,317	259,317	145,281	114,036
Library				
Salaries	139,642	139,642	141,048	(1,406)
Employee benefits	48,550	48,550	47,581	969
Supplies	31,000	31,000	32,432	(1,432)
Repairs and maintenance	15,195	15,195	13,400	1,795
Training	1,200	1,200	941	259
Activities	9,000	9,000	11,265	(2,265)
Lease expense	1,750	1,750	1,732	18
Grant expenditures	1,461,283	1,461,283	267,334	1,193,949
Capital outlay	17,520	17,520	13,922	3,598
Total library	1,725,140	1,725,140	529,655	1,195,485

(continued)

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

(continued)	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Museum				
Salaries	69,934	69,934	63,542	6,392
Employee benefits	37,229	37,229	35,502	1,727
Supplies	6,000	6,000	7,255	(1,255)
Repairs and maintenance	1,500	1,500	2,242	(742)
Training	1,000	1,000	873	127
Professional services	3,000	3,000	2,662	338
Activities	250	250	175	75
Gift shop inventory	1,000	1,000	2,702	(1,702)
Lease	565	565	214	351
Memorial expenses	15,000	15,000	175	14,825
Grant expenditures			1,022	(1,022)
Total museum	135,478	135,478	116,364	19,114
Amphitheater				
Repairs and maintenance			126	(126)
Total culture and recreation	2,430,672	2,430,672	1,144,370	1,286,302
Appropriated reserves	102,891	102,891		102,891
Total expenditures	<u>\$ 9,584,832</u>	<u>\$ 9,584,832</u>	<u>\$ 4,789,502</u>	<u>\$ 4,795,330</u>

**Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds**

The City reports the following nonmajor governmental funds:

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

- Airport Fund – This fund accounts for financial resources of the airport, including leases, taxes and state fuel taxes.
- Conservation Trust Fund – This fund was established to account for state lottery proceeds and allowable expenditures.
- Youth Fund – This fund was established to account for mineral royalties and oil lease revenues, as well as provide transparency of the use of the money for youth programs.
- Library Improvement Fund – This fund was established with donations made to the City to be used for library improvements.
- Museum Donation Fund – This fund was established with donations made to the City to be used for the museum.

CITY OF WRAY, COLORADO
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2023

	Airport Fund	Conservation Trust Fund	Youth Fund	Library Improvement Fund
Assets				
Cash	\$ 95,060	\$ 73,971	\$ 10,665	\$ 13,097
Certificates of deposit	63,337	234,981	103,512	
Receivables			899	
Due from other funds	96,046			
Total assets	<u>\$ 254,443</u>	<u>\$ 308,952</u>	<u>\$ 115,076</u>	<u>\$ 13,097</u>
Liabilities				
Due to other funds			\$ 25	
Unearned revenue			81,822	
Total liabilities	\$ -	\$ -	81,847	\$ -
Fund balance				
Restricted for:				
Culture and recreation		308,952		
Committed for:				
Airport services	254,443			
Youth activities			33,229	
Library improvements				13,097
Museum expenditures				
Total fund balance	<u>254,443</u>	<u>308,952</u>	<u>33,229</u>	<u>13,097</u>
Total liabilities and fund balance	<u>\$ 254,443</u>	<u>\$ 308,952</u>	<u>\$ 115,076</u>	<u>\$ 13,097</u>

Museum Donation Fund	Total
\$ 21,752	\$ 214,545
243,010	644,840
	899
	96,046
<u>\$ 264,762</u>	<u>\$ 956,330</u>
	\$ 25
	81,822
\$ -	81,847
	308,952
	254,443
	33,229
	13,097
<u>264,762</u>	<u>264,762</u>
<u>264,762</u>	<u>874,483</u>
<u>\$ 264,762</u>	<u>\$ 956,330</u>

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

	Airport Fund	Conservation Trust Fund	Youth Fund	Library Improvement Fund
Revenues				
Intergovernmental revenue	\$ 3,755	\$ 32,987		
Charges for services	35,358			
Miscellaneous	2,133	6,280	\$ 25,795	\$ 13,097
Total revenues	41,246	39,267	25,795	13,097
Expenditures				
Excess of revenues over expenditures	41,246	39,267	25,795	13,097
Other financing sources (uses)				
Transfers in				
Transfers out			(5,258)	
Total other financing sources (uses)	-	-	(5,258)	-
Net change in fund balances	41,246	39,267	20,537	13,097
Fund balance at beginning of year	213,197	269,685	12,692	-
Fund balance at end of year	<u>\$ 254,443</u>	<u>\$ 308,952</u>	<u>\$ 33,229</u>	<u>\$ 13,097</u>

Museum Donation Fund	Total
	\$ 36,742
	35,358
\$ 249,937	297,242
249,937	369,342
	-
249,937	369,342
14,825	14,825
	(5,258)
14,825	9,567
264,762	378,909
-	495,574
\$ 264,762	\$ 874,483

CITY OF WRAY, COLORADO
Airport Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Intergovernmental revenue				
State fuel taxes	\$ 5,000	\$ 5,000	\$ 3,755	\$ (1,245)
Charges for services				
Airport leases	20,318	20,318	22,134	1,816
Airport taxes	4,500	4,500	6,794	2,294
City match	4,500	4,500	6,430	1,930
Total charges for services	29,318	29,318	35,358	6,040
Miscellaneous				
Interest on investments	200	200	2,133	1,933
Total revenues	34,518	34,518	41,246	6,728
Expenditures				
Public works	51,001	51,001		51,001
Total expenditures	51,001	51,001	-	51,001
Net change in fund balance	\$ (16,483)	\$ (16,483)	41,246	\$ 57,729
Fund balance at beginning of year			213,197	
Fund balance at end of year			\$ 254,443	

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

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Intergovernmental revenue				
Lottery proceeds	\$ 27,000	\$ 27,000	\$ 32,987	\$ 5,987
Miscellaneous				
Interest on investments	600	600	6,280	5,680
Total revenues	27,600	27,600	39,267	11,667
Expenditures				
Culture and recreation	40,000	40,000		40,000
Total expenditures	40,000	40,000	-	40,000
Net change in fund balance	\$ (12,400)	\$ (12,400)	39,267	\$ 51,667
Fund balance at beginning of year			269,685	
Fund balance at end of year			\$ 308,952	

CITY OF WRAY, COLORADO
Youth Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Miscellaneous				
Oil and gas lease	\$ 6,000	\$ 6,000	\$ 25,712	\$ 19,712
Interest on investments	2	2	83	81
Total revenues	6,002	6,002	25,795	19,793
Expenditures				
Culture and recreation				-
Excess of revenues over expenditures	6,002	6,002	25,795	19,793
Other financing uses				
Transfers out	(5,258)	(5,258)	(5,258)	-
Net change in fund balance	\$ 744	\$ 744	20,537	\$ 19,793
Fund balance at beginning of year			12,692	
Fund balance at end of year			\$ 33,229	

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

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Miscellaneous				
Interest on investments			\$ 97	\$ 97
Donations			13,000	13,000
Total revenues	\$ -	\$ -	13,097	13,097
Expenditures				
Culture and recreation				-
Net change in fund balance	\$ -	\$ -	13,097	\$ 13,097
Fund balance at beginning of year			-	
Fund balance at end of year			\$ 13,097	

CITY OF WRAY, COLORADO
Museum Donation Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Miscellaneous				
Interest on investments			\$ 3,123	\$ 3,123
Donations			246,814	246,814
Total revenues	\$ -	\$ -	249,937	249,937
Expenditures				
Culture and recreation				-
Excess of revenues over expenditures	-	-	249,937	249,937
Other financing sources				
Transfers in			14,825	14,825
Net change in fund balance	\$ -	\$ -	264,762	\$ 264,762
Fund balance at beginning of year			-	
Fund balance at end of year			\$ 264,762	

Budgetary Comparison Schedules – Enterprise Funds

The City reports the following major proprietary funds:

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

- Electric Fund – This fund was established to account for all operations of the electric utility service provided by the City.
- Water Fund – This fund was established to account for all operations of the water utility service provided by the City.
- Sewer Fund – This fund was established to account for all operations of the sewer utility services provided by the City.
- Sanitation Fund – This fund was established to account for all operations of the sanitation utility services provided by the City.

CITY OF WRAY, COLORADO
Electric Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 2,821,261	\$ 2,821,261	\$ 2,626,797	\$ (194,464)
Tap fees	1,750	1,750	1,750	-
Total operating revenues	2,823,011	2,823,011	2,628,547	(194,464)
Operating expenses				
Systems operation				
Salaries	192,138	192,138	133,929	58,209
Employee benefits	94,420	94,420	58,030	36,390
Workers compensation	2,200	2,200	2,552	(352)
Electricity purchases	1,568,716	1,568,716	1,290,087	278,629
Supplies	13,500	13,500	14,285	(785)
Repairs and maintenance	55,000	55,000	72,684	(17,684)
System maintenance	25,000	25,000	10,188	14,812
Vehicle expense	9,000	9,000	12,753	(3,753)
Professional services	59,750	59,750	7,220	52,530
Training	4,000	4,000	3,964	36
Bad debts	4,000	4,000		4,000
Grant expenditures	1,047,400	1,047,400		1,047,400
Capital outlay	65,000	65,000	56,142	8,858
Total systems operation	3,140,124	3,140,124	1,661,834	1,478,290
Administrative and general				
Salaries	263,896	263,896	246,055	17,841
Employee benefits	167,824	167,824	151,123	16,701
Supplies	16,000	16,000	19,477	(3,477)
Repairs and maintenance	25,000	25,000	39,867	(14,867)
Training	3,500	3,500	1,461	2,039
Professional services	17,000	17,000	8,254	8,746
Lease expense	7,500	7,500	6,921	579
Publications	4,000	4,000	3,863	137
Capital outlay	5,000	5,000		5,000
Total administrative and general	509,720	509,720	477,021	32,699
Total operating expenses	3,649,844	3,649,844	2,138,855	1,510,989
Operating income (loss)	(826,833)	(826,833)	489,692	1,316,525

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Nonoperating revenues				
Interest on investments	5,000	5,000	83,648	78,648
Grants and donations	484,998	484,998		(484,998)
Miscellaneous	58,022	58,022	66,942	8,920
Total nonoperating revenues	548,020	548,020	150,590	(397,430)
Net income (loss) before transfers	(278,813)	(278,813)	640,282	919,095
Transfers out	(1,350,000)	(1,350,000)	(925,000)	425,000
Change in net position	<u>\$ (1,628,813)</u>	<u>\$ (1,628,813)</u>	(284,718)	<u>\$ 1,344,095</u>
Adjustments to GAAP Basis				
Add capital purchases			56,142	
Add pension and other post-employment benefit expense			16,224	
Deduct depreciation			<u>(85,462)</u>	
Change in net position - GAAP Basis			(297,814)	
Net position at beginning of year			<u>3,591,894</u>	
Net position at end of year			<u>\$ 3,294,080</u>	

CITY OF WRAY, COLORADO
Water Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 435,916	\$ 435,916	\$ 396,252	\$ (39,664)
Tap fees	1,000	1,000	750	(250)
Total operating revenues	436,916	436,916	397,002	(39,914)
Operating expenses				
Salaries	53,557	53,557	45,187	8,370
Employee benefits	20,170	20,170	17,598	2,572
Workers compensation	1,435	1,435	3,524	(2,089)
Power purchases	61,654	61,654	56,627	5,027
Supplies	12,000	12,000	6,172	5,828
Chemicals	15,000	15,000	11,178	3,822
Repairs and maintenance	12,500	12,500	39,052	(26,552)
Vehicle expense	5,000	5,000	1,061	3,939
Professional services	115,000	115,000	23,971	91,029
Training	4,000	4,000		4,000
Water fees	21,000	21,000	22,120	(1,120)
Bad debts	500	500		500
ARPA disbursements	590,421	590,421	50,840	539,581
Capital outlay			3,600	(3,600)
Total operating expenses	912,237	912,237	280,930	631,307
Operating income (loss)	(475,321)	(475,321)	116,072	591,393
Nonoperating revenues (expenses)				
Interest on investments	1,845	1,845	37,208	35,363
Miscellaneous	15,000	15,000	32,097	17,097
Grants and donations	90,000	90,000	97,875	7,875
ARPA income	295,210	295,210	50,840	(244,370)
Principal paid on notes	(83,192)	(83,192)	(83,192)	-
Interest and fiscal charges	(42,753)	(42,753)	(42,340)	413
Total nonoperating revenues (expenses)	276,110	276,110	92,488	(183,622)
Net income (loss) before transfers	(199,211)	(199,211)	208,560	407,771
Transfers out	(50,000)	(50,000)	(50,000)	-
Change in net position	\$ (249,211)	\$ (249,211)	158,560	\$ 407,771

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Adjustments to GAAP Basis				
Add capital purchases			3,600	
Add principal paid on notes			83,192	
Add pension and other post- employment benefit expense			1,656	
Deduct depreciation			<u>(206,290)</u>	
Change in net position - GAAP Basis			40,718	
Net position at beginning of year			<u>5,770,698</u>	
Net position at end of year			<u><u>\$ 5,811,416</u></u>	

CITY OF WRAY, COLORADO
Sewer Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 425,708	\$ 425,708	\$ 431,509	\$ 5,801
Tap fees	1,000	1,000		(1,000)
Total operating revenues	426,708	426,708	431,509	4,801
Operating expenses				
Salaries	70,500	70,500		70,500
Employee benefits	37,320	37,320		37,320
Workers compensation	1,962	1,962		1,962
Power purchases	80,000	80,000	57,514	22,486
Supplies	4,428	4,428	4,312	116
Chemicals	15,000	15,000	10,752	4,248
Repairs and maintenance	181,000	181,000	34,016	146,984
System maintenance	7,500	7,500		7,500
Vehicle expense	5,000	5,000	3,991	1,009
Training	1,800	1,800		1,800
Professional services	120,000	120,000	3,737	116,263
Total operating expenses	524,510	524,510	114,322	410,188
Operating income (loss)	(97,802)	(97,802)	317,187	414,989
Nonoperating revenues (expenses)				
Interest on investments	500	500	16,957	16,457
Miscellaneous	65,000	65,000	6,038	(58,962)
Principal paid on notes	(104,898)	(104,898)	(79,898)	25,000
Interest and fiscal charges	(12,204)	(12,204)	(11,939)	265
Total nonoperating revenues (expenses)	(51,602)	(51,602)	(68,842)	(17,240)
Change in net position	\$ (149,404)	\$ (149,404)	248,345	\$ 397,749

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Adjustments to GAAP Basis				
Add principal paid on notes			79,898	
Add pension and other post- employment benefit expense			5,886	
Deduct depreciation			<u>(248,372)</u>	
Change in net position - GAAP Basis			85,757	
Net position at beginning of year			<u>4,959,965</u>	
Net position at end of year			<u><u>\$ 5,045,722</u></u>	

CITY OF WRAY, COLORADO
Sanitation Fund
Budgetary Comparison Schedule
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Operating revenues				
Charges for services	\$ 358,125	\$ 358,125	\$ 357,374	\$ (751)
Operating expenses				
Salaries	161,320	161,320	165,500	(4,180)
Employee benefits	103,814	103,814	77,758	26,056
Workers compensation	8,266	8,266	9,020	(754)
Supplies	8,000	8,000	9,692	(1,692)
Repairs and maintenance	15,000	15,000	16,574	(1,574)
Vehicle expense	25,000	25,000	19,843	5,157
Professional services	2,500	2,500	4,244	(1,744)
Training	700	700	809	(109)
Landfill expense	68,250	68,250	67,086	1,164
Bad debts	500	500		500
Capital outlay	250,000	250,000	247,000	3,000
Total operating expenses	643,350	643,350	617,526	25,824
Operating income (loss)	(285,225)	(285,225)	(260,152)	25,073
Nonoperating revenues				
Interest on investments	1,200	1,200	30,349	29,149
Miscellaneous	4,000	4,000	7,233	3,233
Gain on sale of assets			45,000	45,000
Total nonoperating revenues	5,200	5,200	82,582	77,382
Change in net position	\$ (280,025)	\$ (280,025)	(177,570)	\$ 102,455
Adjustments to GAAP Basis				
Add capital purchases			247,000	
Add pension and other post-employment benefit expense			5,544	
Deduct depreciation			(47,889)	
Change in net position - GAAP Basis			27,085	
Net position at beginning of year			509,248	
Net position at end of year			\$ 536,333	

Budgetary Comparison Schedule – Fiduciary Fund

These funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds.

The City reports the following fiduciary fund:

Pension (and other employee benefit) trust funds – These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations or other governments.

- Fireman's Pension Fund – This fund was established to account for contributions made to a single-employer defined benefit plan on behalf of the City's volunteer fire fighters.

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

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Additions				
Contributions				
Employer	\$ 20,383	\$ 20,383	\$ 20,361	\$ (22)
State	9,000	9,000	10,347	1,347
Specific ownership tax	4,000	4,000	4,371	371
Total contributions	33,383	33,383	35,079	1,696
Investment income				
Interest on investments	1,100	1,100	4,678	3,578
Total investment income	1,100	1,100	4,678	3,578
Total additions	34,483	34,483	39,757	5,274
Deductions				
Pension benefits	25,500	25,500	25,200	300
Professional services	4,000	4,000	4,000	-
Total deductions	29,500	29,500	29,200	300
Change in net position	<u>\$ 4,983</u>	<u>\$ 4,983</u>	10,557	<u>\$ 5,574</u>
Net position restricted for pension benefits				
Beginning of year			166,102	
End of year			<u>\$ 176,659</u>	

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

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

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

This Information From The Records Of: City of Wray

Prepared By: Emily Ellis

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

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	\$ 293,860.01
3. Other local imposts (from page 2)	\$ 88,938.04
4. Miscellaneous local receipts (from page 2)	\$ 44,624.65
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	\$ -
7. Total (1 through 6)	\$ 427,422.70
3. Private Contributions	
C. Receipts from State government (from page 2)	\$ 98,443.58
D. Receipts from Federal Government (from page 2)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 525,866.28

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	\$ -
2. Maintenance:	
3. Road and street services:	
a. Traffic control operations	\$ -
b. Snow and ice removal	\$ 57,925.59
c. Other	\$ 7,032.56
d. Total (a. through c.)	\$ 64,958.15
4. General administration & miscellaneous	
5. Highway law enforcement and safety	\$ 460,908.13
6. Total (1 through 5)	\$ 525,866.28
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	\$ -
2. Notes:	
a. Interest	
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)	\$ 525,866.28

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
	\$ -	\$ 525,866.28	\$ 525,866.28	\$ -	\$ -

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	\$ 17,643.57
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	\$ 539.58
5. Specific Ownership &/or Other	\$ 88,938.04	g. Other Misc. Receipts	\$ 26,441.50
6. Total (1. through 5.)	\$ 88,938.04	h. Other	
c. Total (a. + b.)	\$ 88,938.04	i. Total (a. through h.)	\$ 44,624.65
<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.)	\$ 90,170.48	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	\$ 8,273.10	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 8,273.10	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 98,443.58	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: