

CITY OF FRUITA, COLORADO

FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2024



City of Fruita
General Purpose Financial Statements
Fiscal Year Ended December 31, 2024

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City of Fruita
General Purpose Financial Statements
Fiscal Year Ended December 31, 2024

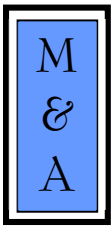
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MCMAHAN AND ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

**To the Members of City Council
City of Fruita, Colorado**

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fruita, Colorado (the "City"), as of and for the year ended December 31, 2024, 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, 2024, 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 ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP; this includes 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 one year after the date that the financial statements are issued.

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
To the Members of City Council
City of Fruita, Colorado

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, we:

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

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

Emphasis-of-Matter

As discussed in Note 4.E to the financial statements, the City adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, in 2024. Our opinion is not modified with respect to this matter.

Required Supplementary Information

U.S. GAAP require that Management's Discussion and Analysis 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 Management's Discussion and Analysis in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**INDEPENDENT AUDITOR'S REPORT
To the Members of City Council
City of Fruita, Colorado**

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. This budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. 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 U.S. GAAS. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 combining fund financial statements, individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements, individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 U.S. GAAS. In our opinion, the combining fund financial statements, individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards included in the Single Audit Section listed in the accompanying table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
Avon, Colorado
September 9, 2025**

Management's Discussion and Analysis

This discussion and analysis of the City of Fruita's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2024. Please read this in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

The City of Fruita currently enjoys a strong financial position in part due to sound budgetary practices and a healthy local economy. The following information represents highlights of the City's financial condition as of December 31, 2024.

- **Net Position.** The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of 2024 by \$135,241,596 (*net position*). Of this amount, \$31,293,337 (23%) is unrestricted and available for spending at the City's discretion. The City's total net position increased \$9,697,330 from the prior year.
- **Fund Balances.** The City's governmental funds reported a combined fund balance of \$30,306,444 at December 31, 2024. The City's governmental fund balances increased by \$788,298 from the previous year. Of this total, \$7,381,078 (24%) is unassigned and available for discretionary spending by the City.
- **General Fund – Fund Balance.** At the end of the current fiscal year the total fund balance of the General Fund was \$20,460,309, with \$7,381,078 unassigned and available for discretionary spending by the City. The City's General Fund balance increased by \$682,122 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Fruita's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) 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 financial statements* are designed to provide readers with a broad overview of the city's finances, in a manner similar to a private-sector business.

- **The statement of net position** presents information on all the City's assets and deferred outflows of resources, and 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 is improving or deteriorating.
- **The statement of activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Management's Discussion and Analysis

Both of the government-wide financial statements distinguish functions of the city that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the city include general government, public safety (police), public works, parks and recreation, housing, economic development, and marketing and promotion. The business-type activities of the city include the provision of irrigation water, sewer collection and treatment, trash collection and lease of the Devils Canyon Center.

Fund Financial Statements

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

- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the city's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

- **Proprietary funds.** Proprietary funds are generally used to account for services for which the city charges customers – either outside customers or internal departments of the city. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The city maintains the following two types of proprietary funds:

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The city uses enterprise funds to account for its Sewer, Irrigation Water, Trash and Devils Canyon Center activities.

Internal service funds. Internal services funds are used by the city to account for the costs of operating and maintaining vehicles and equipment. Because this service predominantly benefits governmental rather than business-type functions, it is included within *governmental activities* in the government-wide financial statements.

The City adopts an annual appropriated budget for its proprietary funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the budget in the Supplementary Information.

Management's Discussion and Analysis

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the city's own programs. The City of Fruita maintains two different types of fiduciary funds. The Pension Trust Funds are used to report resources held in trust for employees as part of three separate defined contribution retirement plans and a Private Purpose Trust Fund which is used to report resources held in trust for Mesa County School District #51.

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.

Other information

In addition to the basic financial statement and accompanying notes, this report also presents *required supplementary information* and other *supplementary information* including budget comparison schedules, combining statements and the annual financial report for the use of revenues from the state highway user's tax fund.

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Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position – Government-wide. The Net Position of the prior period has been restated for prior period adjustments. As noted earlier, *Net Position* may serve over time as a useful indicator of a government's financial position. The City's assets exceeded its liabilities and deferred inflow of resources by \$135,241,596 at December 31, 2024 and increased \$9,697,330 from the prior year for both governmental and business-type activities.

CITY OF FRUITA - NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	2024	2023 (Restated)	2024	2023 (Restated)	2024	2023 (Restated)
ASSETS						
Current and other assets	\$ 34,775,148	\$ 34,736,598	\$ 10,581,233	\$ 9,622,047	\$ 45,356,381	\$ 44,358,645
Capital assets	75,744,671	69,720,226	41,083,464	41,452,482	116,828,135	111,172,708
Total assets	110,519,819	104,456,824	51,664,697	51,074,529	162,184,516	155,531,353
LIABILITIES						
Current and other liabilities	2,676,601	3,147,353	1,784,852	2,179,437	4,461,453	5,326,790
Long term liabilities	9,257,143	10,153,952	10,553,053	11,790,064	19,810,196	21,944,016
Total liabilities	11,933,744	13,301,305	12,337,905	13,969,501	24,271,649	27,270,806
TOTAL DEFERRED INFLOWS OF RESOURCES	2,671,271	2,716,281	-	-	2,671,271	2,716,281
NET POSITION						
Net investment in capital assets	65,880,746	59,224,576	29,350,546	28,318,217	95,231,292	87,542,793
Restricted	7,599,983	7,559,719	1,116,984	1,013,267	8,716,967	8,572,986
Unrestricted	22,434,075	21,654,943	8,859,262	7,773,544	31,293,337	29,428,487
TOTAL NET POSITION	\$ 95,914,804	\$ 88,439,238	\$ 39,326,792	\$ 37,105,028	\$ 135,241,596	\$ 125,544,266

The largest portion of the City's net position at December 31, 2024 (70%) is invested in capital assets (e.g., land, infrastructure, buildings, machinery, equipment and vehicles), less accumulated depreciation and amortization and any related outstanding debt that was used to acquire those assets. The city uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the city's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis

Statement of Activities

This statement presents information showing how the City's net position changed during the fiscal year. It reflects the cost of program services and the charges for services, grants, and other contributions. The following detail reflects the total cost of services supported by program revenues and general revenues, resulting in the overall change in net position for the current and prior fiscal year.

Statement of Activities						
	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
<u>Program revenues</u>						
Charges for services	\$ 2,810,034	\$ 2,292,385	\$ 5,470,583	\$ 5,142,069	\$ 8,280,617	\$ 7,434,454
Operating grants & contributions	592,030	140,024	65,421	-	657,451	140,024
Capital grants & contributions	4,883,338	2,433,723	1,225,579	3,407,237	6,108,917	5,840,960
Total Program Revenues	8,285,402	4,866,132	6,761,583	8,549,306	15,046,985	13,415,438
<u>General revenues:</u>						
Property taxes	2,094,299	1,607,015	-	-	2,094,299	1,607,015
Sales and use taxes	11,156,754	11,022,713	-	-	11,156,754	11,022,713
Other taxes	1,367,446	1,932,959	-	-	1,367,446	1,932,959
Other	1,870,659	1,021,845	252,508	189,108	2,123,167	1,210,953
Total General Revenues	16,489,158	15,584,532	252,508	189,108	16,741,666	15,773,640
Total revenues	24,774,560	20,450,664	7,014,091	8,738,414	31,788,651	29,189,078
Expenses:						
General government	4,433,599	3,663,797	-	-	4,433,599	3,663,797
Housing	1,275,758	60,600	-	-	1,275,758	60,600
Marketing & promotion	231,331	195,423	-	-	231,331	195,423
Parks and recreation	4,636,311	4,290,826	-	-	4,636,311	4,290,826
Public works	3,345,859	3,283,208	-	-	3,345,859	3,283,208
Public safety	3,324,244	3,038,125	-	-	3,324,244	3,038,125
Interest on long-term debt	297,017	282,213	-	-	297,017	282,213
Sewer	-	-	3,284,477	3,216,368	3,284,477	3,216,368
Trash	-	-	1,108,003	1,013,373	1,108,003	1,013,373
Devils Canyon Center	-	-	43,936	43,942	43,936	43,942
Irrigation water	-	-	110,786	84,006	110,786	84,006
Total expenses	17,544,119	14,814,192	4,547,202	4,357,689	22,091,321	19,171,881
Increase (decrease) in net position before transfers	7,230,441	5,636,472	2,466,889	4,380,725	9,697,330	10,017,197
Transfers	245,125	245,125	(245,125)	(245,125)	-	-
Increase in net position	7,475,566	5,881,597	2,221,764	4,135,600	9,697,330	10,017,197
Net position - Beginning (restated)	88,439,238	82,557,641	37,105,028	32,969,428	125,544,266	115,527,069
Net position - Ending	\$ 95,914,804	\$ 88,439,238	\$ 39,326,792	\$ 37,105,028	\$ 135,241,596	\$ 125,544,266

Overall, total revenues increased by \$2,599,573 from the previous year. Key drivers of the City's increased revenue were increased charges for services, increased investment income, and increased property taxes stemming from State backfill payments, which offset decreases in capital grants as the City spends down its ARPA funds.

Management's Discussion and Analysis

Overall, total expenses increased by \$2,919,440 from the previous year. Key drivers of the City's increased expenses were increased housing expenses associated with pass-through grant funding related to the Fruita Housing Authority, along with general inflationary activity and the City working to increase services provided to residents and visitors because of increased revenues.

ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS

General Fund: At December 31, 2024, the City's General Fund has an ending fund balance of \$20,460,309. The City's General Fund's balance increased by \$682,122 during 2024 due to increased property taxes, investment income, and intergovernmental revenue, which exceeded expenditure growth due to increased operations and general inflationary activity.

Community Center Fund: At December 31, 2024, the City's Community Center Fund has an ending fund balance of \$3,523,951. The City's Community Center Fund's balance increased by \$474,474 during 2024.

Capital Projects Fund: At December 31, 2024, the City's Capital Projects Fund has an ending fund balance of \$4,467,558. The City's Capital Projects Fund's balance decreased by \$186,816 during 2024.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's general fund budget was amended during 2024. Original appropriated expenditures, including transfers to other funds, were \$19,379,105 whereas final appropriated expenditures were \$22,713,345. Actual 2024 expenditures, including transfers to other funds, were lower than final budgeted amounts by \$8,283,584. The main driver of this variance were budgeted transfers to other funds that did not occur.

Significant revenue budget variances were as follows:

Significant Revenue Variations - Final Budget vs Actual				
<u>Description</u>	<u>Final Budget</u>	<u>Actual Revenues</u>	<u>Variance</u>	<u>% Chg</u>
Property tax	1,850,000	2,094,299	244,299	13%
Intergovernmental	587,350	790,970	203,620	35%
Investment income	400,000	760,472	360,472	90%

Property taxes were greater than budgeted amounts due to Colorado legislation authorizing one-time backfill payments to municipalities. Intergovernmental revenue and investment income were greater than budgeted amounts due to conservative budgeting of these revenues.

Management's Discussion and Analysis

Significant expenditure budget variances were as follows:

Final Budgeted Expenditures vs Actual Expenditures				
	<u>Final budget</u>	<u>Actual</u>	<u>\$ Variance</u>	<u>% Variance</u>
Administration	1,300,940	1,089,916	211,024	16%
Public works	2,231,245	1,887,370	343,875	15%
Non-departmental	697,225	491,919	205,306	29%
Debt service P & I	-	131,320	(131,320)	100%

The City budgets conservatively for expenditures, it is not uncommon for actual expenditures to be lower than budgeted amounts. The City budgets for debt service payments, which is principal and interest on leases, in other accounts and then annually adjusts these payments to debt service accounts.

A detailed schedule of the City's general fund revenues, expenditures, and variances to budget can be found in the Required Supplemental Information section of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for governmental and business-type activities as of December 31, 2024, net of accumulated depreciation and amortization and outstanding capital-related debt, was \$95,231,292. Capital assets include land, buildings, machinery, equipment, vehicles, park and recreation facilities, roads, highways, wastewater reclamation facility, sewer collection lines, and irrigation distribution system.

The City's net capital assets increased by \$5,655,427 during 2024, which is the amount that capital additions exceeded asset disposals and depreciation and amortization expense.

A detailed classification of the City's capital asset activity for 2024 can be found in the Notes to the Financial Statements.

Long-term Debt. At the end of the current fiscal year, the City of Fruita had total debt outstanding of \$21,844,975 (net of unamortized premiums and discounts on outstanding debt). Of this amount, \$11,726,166 is a loan backed by user fees and charges of the sewer system, \$8,906,682 represents bonds for the Fruita Community Center backed by sales and use tax revenues, \$33,032 is for leases payable from future revenues of City, \$610,280 is for subscriptions payable from future revenues of the City, and \$568,815 is for compensated absences payable from future revenues of the City.

Additional information on the City of Fruita's long-term debt obligations can be found in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At December 31, 2024, the City's net position was \$135,241,596. The City's subsequent year budget anticipates \$26.6 million of revenues, \$28.3 million of revenues, and a decrease in net position of \$1.7 million.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Fruita's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 325 E. Aspen, Fruita, Colorado, 81521.

Basic Financial Statements

City of Fruita, Colorado
Statement of Net Position
December 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	24,797,078	8,448,090	\$ 33,245,168
Restricted cash and investments	4,826,517	1,051,568	5,878,085
Receivables	4,188,399	826,982	5,015,381
Notes receivable	170,000	-	170,000
Leases receivable	787,046	-	787,046
Prepaid expenses	-	194,718	194,718
Inventories	6,108	59,875	65,983
Capital assets not being depreciated	12,425,074	1,241,526	13,666,600
Capital assets, net of accumulated depreciation	63,319,597	39,841,938	103,161,535
TOTAL ASSETS	110,519,819	51,664,697	162,184,516
LIABILITIES			
Accounts payable	766,292	238,985	1,005,277
Accrued interest payable	108,357	56,228	164,585
Customer deposits payable	9,705	-	9,705
Unearned revenues	962,894	284,213	1,247,107
Long-term liabilities			
Due within one year:			
Bonds and loans payable	415,000	1,185,000	1,600,000
Leases and subscriptions payable	122,824	6,353	129,177
Accrued compensated absences	291,529	14,073	305,602
Due in more than one year:			
Bonds and loans payable	8,491,682	10,541,166	19,032,848
Leases and subscriptions payable	514,135	-	514,135
Accrued compensated absences	251,326	11,887	263,213
TOTAL LIABILITIES	11,933,744	12,337,905	24,271,649
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	1,926,355	-	1,926,355
Lease related	744,916	-	744,916
TOTAL DEFERRED INFLOWS OF RESOURCES	2,671,271	-	2,671,271
NET POSITION			
Net investment in capital assets	65,880,746	29,350,546	95,231,292
Restricted for:			
Community Center	925,615	-	925,615
Debt service	761,070	1,083,442	1,844,512
Economic development	299,470	-	299,470
Emergency reserves	639,390	-	639,390
Housing Authority	12,704	-	12,704
Marketing and promotion	317,002	-	317,002
Parks, open space and public places	1,145,963	-	1,145,963
Plastic Pollution Reduction Act	-	33,542	33,542
Public safety	606,302	-	606,302
Streets and drainage	2,892,467	-	2,892,467
Unrestricted	22,434,075	8,859,262	31,293,337
TOTAL NET POSITION	\$ 95,914,804	\$ 39,326,792	\$ 135,241,596

The notes to the financial statements are an integral part of this statement

City of Fruita, Colorado
STATEMENT OF ACTIVITIES
For the year ended December 31, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES							
General government	\$ 4,433,599	\$ 454,411	\$ 5,000	\$ 609,398	\$ (3,364,790)	\$ -	\$ (3,364,790)
Housing	1,275,758	-	-	1,265,773	(9,985)	-	(9,985)
Marketing and promotion	231,331	2,728	-	-	(228,603)	-	(228,603)
Parks and recreation	4,636,311	1,677,769	55,838	1,081,233	(1,821,471)	-	(1,821,471)
Public works	3,345,859	667,726	531,192	1,926,934	(220,007)	-	(220,007)
Public safety	3,324,244	7,400	-	-	(3,316,844)	-	(3,316,844)
Interest on long-term debt	297,017	-	-	-	(297,017)	-	(297,017)
TOTAL GOVERNMENTAL ACTIVITIES	17,544,119	2,810,034	592,030	4,883,338	(9,258,717)	-	(9,258,717)
BUSINESS-TYPE ACTIVITIES							
Sewer	3,284,477	4,113,412	47,762	1,223,329	-	2,100,026	2,100,026
Trash	1,108,003	1,220,828	-	-	-	112,825	112,825
Devils Canyon Center	43,936	-	-	-	-	(43,936)	(43,936)
Irrigation water	110,786	136,343	17,659	2,250	-	45,466	45,466
TOTAL BUSINESS-TYPE ACTIVITIES	4,547,202	5,470,583	65,421	1,225,579	-	2,214,381	2,214,381
TOTAL PRIMARY GOVERNMENT	\$ 22,091,321	\$ 8,280,617	\$ 657,451	\$ 6,108,917	(9,258,717)	2,214,381	(7,044,336)
General Revenues and Transfers:							
Property taxes					2,094,299	-	2,094,299
Sales and use taxes					11,156,754	-	11,156,754
Lodging taxes					401,539	-	401,539
Severance tax					179,476	-	179,476
Franchise fees					525,997	-	525,997
Other shared taxes					260,434	-	260,434
Investment income					1,076,948	252,508	1,329,456
Gain on sale of capital assets					666,290	-	666,290
Gain on debt extinguishment					127,421	-	127,421
Transfers					245,125	(245,125)	-
Total general revenues and transfers					16,734,283	7,383	16,741,666
Change in net position					7,475,566	2,221,764	9,697,330
Net position - Beginning:							
As previously presented					88,640,410	37,105,642	125,746,052
Restatements					(201,172)	(614)	(201,786)
Net position - Beginning (restated)					88,439,238	37,105,028	125,544,266
Net position - Ending					\$ 95,914,804	\$ 39,326,792	\$ 135,241,596

The notes to the financial statements are an integral part of this statement

City of Fruita, Colorado
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

	General	Community Center	Capital Projects	Debt Service	Non-major Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 18,831,692	\$ 4,200,535	\$ 776,836	\$ 12,870	\$ 910,204	\$ 24,732,137
Restricted cash and investments	242,395	-	3,835,922	748,200	-	4,826,517
Receivables:						
Accounts	69,428	2,457	-	-	-	71,885
Interest	1,660	1,656	-	-	1,706	5,022
Lease	192,374	594,672	-	-	-	787,046
Taxes	1,926,355	-	-	-	19,650	1,946,005
Notes	-	-	-	-	170,000	170,000
Intergovernmental	1,825,902	333,342	6,243	-	-	2,165,487
Inventories	6,108	-	-	-	-	6,108
Total assets	<u>23,095,914</u>	<u>5,132,662</u>	<u>4,619,001</u>	<u>761,070</u>	<u>1,101,560</u>	<u>34,710,207</u>
LIABILITIES						
Accounts payable	427,882	100,241	223,766	-	8,004	759,893
Deposits payable	5,100	4,605	-	-	-	9,705
Unearned revenues	91,610	-	871,284	-	-	962,894
Total liabilities	<u>524,592</u>	<u>104,846</u>	<u>1,095,050</u>	<u>-</u>	<u>8,004</u>	<u>1,732,492</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable property tax revenue	1,926,355	-	-	-	-	1,926,355
Lease revenue	184,658	560,258	-	-	-	744,916
Total deferred inflows of resources	<u>2,111,013</u>	<u>560,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,671,271</u>
FUND BALANCES						
Nonspendable	6,108	-	-	-	171,706	177,814
Restricted	1,507,533	925,615	3,504,915	761,070	900,850	7,599,983
Committed	-	1,605,543	-	-	-	1,605,543
Assigned	11,565,590	1,936,400	19,036	-	21,000	13,542,026
Unassigned	7,381,078	-	-	-	-	7,381,078
Total fund balances	<u>20,460,309</u>	<u>4,467,558</u>	<u>3,523,951</u>	<u>761,070</u>	<u>1,093,556</u>	<u>30,306,444</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,095,914</u>	<u>\$ 5,132,662</u>	<u>\$ 4,619,001</u>	<u>\$ 761,070</u>	<u>\$ 1,101,560</u>	<u>\$ 34,710,207</u>

The notes to the financial statements are an integral part of this statement

City of Fruita, Colorado
**RECONCILIATION OF GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES**
December 31, 2024

Total Governmental Fund Balances \$ 30,306,444

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

Capital assets used in governmental activities (excluding Fleet Maintenance) are not financial resources and, therefore, are not reported in the funds.

Capital assets	108,295,454	
Accumulated depreciation/amortization	(32,581,527)	
Net adjustment		75,713,927

Some liabilities, including bonds, notes, leases and subscriptions payable, as well as compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.

Sales and use tax revenue bonds payable	(8,295,000)	
Lease liability	(33,032)	
Subscription liability	(602,466)	
Accrued interest payable	(108,251)	
Unamortized bond premium	(633,106)	
Unamortized bond discount	21,424	
Compensated absences payable	(535,438)	
Net adjustment		(10,185,869)

Internal service funds are used to charge the costs of fleet maintenance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

80,302

Net Position of Governmental Activities \$ 95,914,804

The notes to the financial statements are an integral part of this statement

City of Fruita, Colorado
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2024

	General	Community Center	Capital Projects	Debt Service	Non-major Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 2,094,299	\$ -	\$ -	\$ -	\$ -	\$ 2,094,299
City sales	3,720,533	1,860,267	-	-	-	5,580,800
County sales	3,453,933	-	-	-	-	3,453,933
County sales - Public safety	519,130	-	-	-	-	519,130
Use tax	1,068,594	534,297	-	-	-	1,602,891
Other	760,667	-	-	-	401,540	1,162,207
Licenses and permits	74,625	-	-	-	-	74,625
Intergovernmental	790,970	-	1,233,438	-	1,433,169	3,457,577
Charges for services	442,158	1,418,451	-	-	2,728	1,863,337
Fines, forfeitures, assessments	32,354	-	-	-	-	32,354
Development impact fees	36,010	-	825,409	-	-	861,419
Investment income	760,472	71,468	192,975	34,870	3,339	1,063,124
Interest on leases	3,212	10,612	-	-	-	13,824
Rents	46,176	92,800	-	-	-	138,976
Donations	40,521	1,308	119,089	-	-	160,918
Miscellaneous	45,854	7,726	-	-	-	53,580
Total revenues	<u>13,889,508</u>	<u>3,996,929</u>	<u>2,370,911</u>	<u>34,870</u>	<u>1,840,776</u>	<u>22,132,994</u>
EXPENDITURES						
Current:						
General government	1,111,475	-	-	-	-	1,111,475
Administration	1,089,916	-	-	-	-	1,089,916
Engineering	591,074	-	-	-	-	591,074
Community development	795,540	-	-	-	-	795,540
Economic development	-	-	-	-	15,000	15,000
Housing	-	-	-	-	1,268,152	1,268,152
Marketing and promotion	-	-	-	-	229,679	229,679
Public safety	3,098,274	-	-	-	-	3,098,274
Public works	1,887,370	-	-	-	-	1,887,370
Parks and recreation	1,298,630	2,422,172	-	-	-	3,720,802
Public places	-	-	-	-	7,959	7,959
Non-departmental	491,919	-	-	-	-	491,919
Debt service						
Principal	119,272	9,236	-	400,000	8,908	537,416
Interest and fiscal charges	12,048	568	-	348,200	92	360,908
Capital outlay	1,126,260	1,084,851	5,127,904	-	16,572	7,355,587
Total expenditures	<u>11,621,778</u>	<u>3,516,827</u>	<u>5,127,904</u>	<u>748,200</u>	<u>1,546,362</u>	<u>22,561,071</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,267,730	480,102	(2,756,993)	(713,330)	294,414	(428,077)
OTHER FINANCING SOURCES (USES)						
Lease proceeds	18,381	-	-	-	-	18,381
Subscription financing	104,322	-	-	-	-	104,322
Sale of capital assets	788,589	-	-	-	-	788,589
Insurance awards	59,958	-	-	-	-	59,958
Transfers in	251,125	95,000	3,231,467	726,200	14,379	4,318,171
Transfers (out)	(2,807,983)	(761,918)	-	-	(503,145)	(4,073,046)
Total other financing sources (uses)	<u>(1,585,608)</u>	<u>(666,918)</u>	<u>3,231,467</u>	<u>726,200</u>	<u>(488,766)</u>	<u>1,216,375</u>
NET CHANGE IN FUND BALANCES	682,122	(186,816)	474,474	12,870	(194,352)	788,298
Fund balances - Beginning	19,778,187	4,654,374	3,049,477	748,200	1,287,908	29,518,146
Fund balances - Ending	<u>\$ 20,460,309</u>	<u>\$ 4,467,558</u>	<u>\$ 3,523,951</u>	<u>\$ 761,070</u>	<u>\$ 1,093,556</u>	<u>\$ 30,306,444</u>

The notes to the financial statements are an integral part of this statement

City of Fruita, Colorado
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
For the year ended December 31, 2024

Net change in fund balances - Total Governmental Funds \$ 788,298

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense, net of the internal service fund, in the current period.

Capitalized expenditures	7,200,403	
Depreciation / Amortization expense	(2,850,200)	
Net adjustment		4,350,203

Internal service funds are used to charge the costs of fleet maintenance to individual funds. The net income of the internal service fund is included in governmental activities. 45,772

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. (122,298)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to increase net position.
 Donation of capital assets 1,787,900

Bonds and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liability in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal repayments on special revenue bonds	400,000	
Principal repayments on leases	20,411	
Principal repayments on subscriptions	117,004	
Gain on extinguishment of debt	127,421	
Amortization of premium on special revenue bonds	81,954	
Amortization of discount on special revenue bonds	(2,773)	
SBITAs issued	(104,322)	
Leases issued	(18,381)	
Net adjustment		621,314

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	19,749	
Accrued interest payable	(15,372)	
Net adjustment		4,377

Change in net position of governmental activities \$ 7,475,566

The notes to the financial statements are an integral part of this statement.

City of Fruita, Colorado
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2024

	Business-type Activities - Enterprise Funds					Governmental
	Major Fund	Non-Major Funds			Totals	Fleet Maint. Internal Service Fund
	Sewer	Trash	Devils Canyon Center	Irrigation Water		Fund
ASSETS						
Current assets:						
Cash and investments	\$ 7,704,761	\$ 262,874	\$ 202,191	\$ 278,264	\$ 8,448,090	\$ 64,941
Restricted cash and investments	1,051,568	-	-	-	1,051,568	-
Accounts receivable	631,670	188,307	-	2,998	822,975	-
Intergovernmental receivable	4,007	-	-	-	4,007	-
Prepaid expenses	194,718	-	-	-	194,718	-
Inventories	42,216	-	-	17,659	59,875	-
Total current assets	<u>9,628,940</u>	<u>451,181</u>	<u>202,191</u>	<u>298,921</u>	<u>10,581,233</u>	<u>64,941</u>
Non-current assets:						
Capital assets, not being depreciated	938,651	-	225,514	77,361	1,241,526	-
Capital assets, net of accumulated depreciation	39,271,736	-	524,029	46,173	39,841,938	30,745
Total capital assets, net	<u>40,210,387</u>	<u>-</u>	<u>749,543</u>	<u>123,534</u>	<u>41,083,464</u>	<u>30,745</u>
TOTAL ASSETS	<u>49,839,327</u>	<u>451,181</u>	<u>951,734</u>	<u>422,455</u>	<u>51,664,697</u>	<u>95,686</u>
LIABILITIES						
Current liabilities:						
Accounts payable	51,931	185,324	-	1,730	238,985	6,399
Accrued interest payable	56,228	-	-	-	56,228	106
Compensated absences	12,786	-	-	1,287	14,073	4,021
Notes payable	1,185,000	-	-	-	1,185,000	-
Leases and subscriptions payable	6,353	-	-	-	6,353	1,461
Unearned revenues	284,213	-	-	-	284,213	-
Total current liabilities	<u>1,596,511</u>	<u>185,324</u>	<u>-</u>	<u>3,017</u>	<u>1,784,852</u>	<u>11,987</u>
Noncurrent liabilities:						
Compensated absences	10,800	-	-	1,087	11,887	3,397
Notes payable (net of premium)	10,541,166	-	-	-	10,541,166	-
Total noncurrent liabilities	<u>10,551,966</u>	<u>-</u>	<u>-</u>	<u>1,087</u>	<u>10,553,053</u>	<u>3,397</u>
TOTAL LIABILITIES	<u>12,148,477</u>	<u>185,324</u>	<u>-</u>	<u>4,104</u>	<u>12,337,905</u>	<u>15,384</u>
NET POSITION						
Net investment in capital assets	28,477,469	-	749,543	123,534	29,350,546	29,284
Restricted for debt service	1,083,442	-	-	-	1,083,442	-
Restricted for PPRA bag fee	-	33,542	-	-	33,542	-
Unrestricted:						
Designated for equipment replacement	1,176,044	-	-	2,194	1,178,238	-
Designated for capacity improvements	1,231,919	-	-	-	1,231,919	-
Other unrestricted	5,721,976	232,315	202,191	292,623	6,449,105	51,018
TOTAL NET POSITION	<u>\$ 37,690,850</u>	<u>\$ 265,857</u>	<u>\$ 951,734</u>	<u>\$ 418,351</u>	<u>\$ 39,326,792</u>	<u>\$ 80,302</u>

The notes to the financial statements are an integral part of this statement.

City of Fruita, Colorado
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the year ended December 31, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities
	Major Fund	Non-Major Funds			Totals	Fleet Maint. Internal Service Fund
	Sewer	Trash	Devils Canyon Center	Irrigation Water		
OPERATING REVENUES						
Charges for services	\$ 4,113,412	\$ 1,220,828	\$ -	\$ 136,343	\$ 5,470,583	\$ 448,275
Other revenues	47,762	-	-	17,659	65,421	-
Total operating revenues	<u>4,161,174</u>	<u>1,220,828</u>	<u>-</u>	<u>154,002</u>	<u>5,536,004</u>	<u>448,275</u>
OPERATING EXPENSES						
Personnel services	1,017,024	-	-	79,822	1,096,846	225,724
Purchased services	362,722	1,105,537	-	5,147	1,473,406	70,773
Supplies	385,639	-	-	17,803	403,442	101,498
Depreciation and amortization	1,404,618	-	43,936	8,014	1,456,568	4,614
Total operating expenses	<u>3,170,003</u>	<u>1,105,537</u>	<u>43,936</u>	<u>110,786</u>	<u>4,430,262</u>	<u>402,609</u>
Operating income (loss)	991,171	115,291	(43,936)	43,216	1,105,742	45,666
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental revenue	307,626	-	-	-	307,626	-
Investment income	248,318	519	3,213	458	252,508	-
Gain (loss) on disposal of equipment	(493)	-	-	(2,466)	(2,959)	218
Interest and amortization expense	(113,981)	-	-	-	(113,981)	(112)
Total nonoperating revenues (expenses)	<u>441,470</u>	<u>519</u>	<u>3,213</u>	<u>(2,008)</u>	<u>443,194</u>	<u>106</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	1,432,641	115,810	(40,723)	41,208	1,548,936	45,772
CAPITAL CONTRIBUTIONS						
Capital contributions - Development	362,703	-	-	-	362,703	-
Capital contributions - Plant investment fee	553,000	-	-	2,250	555,250	-
Transfers (out)	(165,000)	(70,000)	-	(10,125)	(245,125)	-
CHANGE IN NET POSITION	<u>2,183,344</u>	<u>45,810</u>	<u>(40,723)</u>	<u>33,333</u>	<u>2,221,764</u>	<u>45,772</u>
Net position - Beginning:						
As previously presented	35,506,932	220,047	992,457	386,206	37,105,642	37,121
Restatements	574	-	-	(1,188)	(614)	(2,591)
Net position - Beginning (restated)	<u>35,507,506</u>	<u>220,047</u>	<u>992,457</u>	<u>385,018</u>	<u>37,105,028</u>	<u>34,530</u>
Net position - Ending	<u>\$ 37,690,850</u>	<u>\$ 265,857</u>	<u>\$ 951,734</u>	<u>\$ 418,351</u>	<u>\$ 39,326,792</u>	<u>\$ 80,302</u>

The notes to the financial statements are an integral part of this statement.

City of Fruita, Colorado
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2024

	Business-type Activities - Enterprise Funds					Governmental Activities
	Major Fund	Non-Major Funds			Totals	Fleet Maint. Internal Service Fund
	Sewer	Trash	Devils Canyon Center	Irrigation Water		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 4,140,656	\$ 1,210,027	\$ -	\$ 154,067	\$ 5,504,750	\$ -
Cash from interfund services	-	-	-	-	-	448,275
Payments to suppliers and service providers	(1,240,929)	(1,005,309)	-	(39,939)	(2,286,177)	(173,436)
Payments to employees for salaries and benefits	(1,017,891)	-	-	(79,909)	(1,097,800)	(225,995)
Net cash provided/(used) by operating activities	<u>1,881,836</u>	<u>204,718</u>	<u>-</u>	<u>34,219</u>	<u>2,120,773</u>	<u>48,844</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Operating transfers	(165,000)	(70,000)	-	(10,125)	(245,125)	-
Net cash provided/(used) by non-capital financing activities	<u>(165,000)</u>	<u>(70,000)</u>	<u>-</u>	<u>(10,125)</u>	<u>(245,125)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions - Plant investment fees	553,000	-	-	2,250	555,250	-
Capital contributions - Grants	1,146,155	-	-	-	1,146,155	-
Sale of capital assets	-	-	-	-	-	218
Acquisition of capital assets	(717,198)	-	-	(10,607)	(727,805)	(13,259)
Principal paid on loans and right-to-use assets	(1,131,129)	-	-	-	(1,131,129)	(1,424)
Interest paid on loans and right-to-use assets	(170,394)	-	-	-	(170,394)	(76)
Net cash provided/(used) by capital and related financing activities	<u>(319,566)</u>	<u>-</u>	<u>-</u>	<u>(8,357)</u>	<u>(327,923)</u>	<u>(14,541)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received on investments	248,318	519	3,213	458	252,508	-
Net cash provided/(used) by investing activities	<u>248,318</u>	<u>519</u>	<u>3,213</u>	<u>458</u>	<u>252,508</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,645,588	135,237	3,213	16,195	1,800,233	34,303
Cash and cash equivalents - Beginning	<u>7,110,741</u>	<u>127,637</u>	<u>198,978</u>	<u>262,069</u>	<u>7,699,425</u>	<u>30,638</u>
Cash and cash equivalents - Ending	<u>\$ 8,756,329</u>	<u>\$ 262,874</u>	<u>\$ 202,191</u>	<u>\$ 278,264</u>	<u>\$ 9,499,658</u>	<u>\$ 64,941</u>

The notes to the financial statements are an integral part of this statement

City of Fruita, Colorado
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2024

	Business-type Activities - Enterprise Funds					Governmental
	Major Fund	Non-Major Funds			Totals	Fleet Maint.
	Sewer	Trash	Devils Canyon Center	Irrigation Water		Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 991,171	\$ 115,291	\$ (43,936)	\$ 43,216	\$ 1,105,742	\$ 45,666
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization expense	1,404,618	-	43,936	8,014	1,456,568	4,614
(Increase) decrease in accounts receivable	(20,518)	(10,801)	-	65	(31,254)	-
(Increase) decrease in prepaid expenses	(194,718)	-	-	-	(194,718)	-
(Increase) decrease in inventories	(42,216)	-	-	(17,659)	(59,875)	-
Increase (decrease) in accounts payable	(255,634)	100,228	-	670	(154,736)	(1,165)
Increase (decrease) in compensated absences payable	(867)	-	-	(87)	(954)	(271)
Total adjustments	<u>890,665</u>	<u>89,427</u>	<u>43,936</u>	<u>(8,997)</u>	<u>1,015,031</u>	<u>3,178</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,881,836</u>	<u>\$ 204,718</u>	<u>\$ -</u>	<u>\$ 34,219</u>	<u>\$ 2,120,773</u>	<u>\$ 48,844</u>
Ending cash per Statement of Cash Flows is comprised of:						
Amounts reported on the Statement of Net Position						
Cash and investments	\$ 7,704,761	\$ 262,874	\$ 202,191	\$ 278,264	\$ 8,448,090	\$ 64,941
Restricted cash and investments	1,051,568	-	-	-	1,051,568	-
	<u>\$ 8,756,329</u>	<u>\$ 262,874</u>	<u>\$ 202,191</u>	<u>\$ 278,264</u>	<u>\$ 9,499,658</u>	<u>\$ 64,941</u>
Schedule of non-cash capital and related financing activities						
Contributions of capital assets	<u>\$ 362,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,703</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement

City of Fruita, Colorado
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2024

	Money Purchase Plan - General	Money Purchase Plan - Executive	Money Purchase Plan - Police	Private Purpose Trust Fund	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 189,111	\$ 189,111
Investments	2,804,664	-	3,043,866	-	5,848,530
Accounts receivable	15,265	-	16,026	-	31,291
Total assets	<u>2,819,929</u>	<u>-</u>	<u>3,059,892</u>	<u>189,111</u>	<u>6,068,932</u>
LIABILITIES					
Accounts payable	-	-	-	189,111	189,111
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,111</u>	<u>189,111</u>
NET POSITION					
Held in trust for:					
Forfeitures	2	-	-	-	2
Pension benefits	2,819,927	-	3,059,892	-	5,879,819
Total net position	<u>\$ 2,819,929</u>	<u>\$ -</u>	<u>\$ 3,059,892</u>	<u>\$ -</u>	<u>\$ 5,879,821</u>

The notes to the financial statements are an integral part of this statement

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the year ended December 31, 2024

	Money Purchase Plan - General	Money Purchase Plan - Executive	Money Purchase Plan - Police	Private Purpose Trust Fund	Total
ADDITIONS					
Employer contributions	\$ 237,926	\$ 18,924	\$ 203,081	\$ -	\$ 459,931
School land dedication fees	-	-	-	99,871	99,871
Plan member contributions	-	-	145,058	-	145,058
Total contributions	<u>237,926</u>	<u>18,924</u>	<u>348,139</u>	<u>99,871</u>	<u>704,860</u>
Investment earnings					
Net investment gain (loss)	322,920	8,415	290,179	-	621,514
Total additions	<u>560,846</u>	<u>27,339</u>	<u>638,318</u>	<u>99,871</u>	<u>1,326,374</u>
DEDUCTIONS					
Benefits	80,610	96,457	948,972	-	1,126,039
Forfeitures	-	-	-	99,871	99,871
Administrative expenses	436	356	5,661	-	6,453
Total deductions	<u>81,046</u>	<u>96,813</u>	<u>954,633</u>	<u>99,871</u>	<u>1,232,363</u>
CHANGE IN NET POSITION	479,800	(69,474)	(316,315)	-	94,011
Net position - Beginning	<u>2,340,129</u>	<u>69,474</u>	<u>3,376,207</u>	<u>-</u>	<u>5,785,810</u>
Net position - Ending	<u>\$ 2,819,929</u>	<u>\$ -</u>	<u>\$ 3,059,892</u>	<u>\$ -</u>	<u>\$ 5,879,821</u>

The notes to the financial statements are an integral part of this statement

Notes to Financial Statements

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Fruita, Colorado (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governments and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A. DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the City. Fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which are generally supported by taxes and intergovernmental revenues and other nonexchange transactions are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

B. BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, including the Fruita Housing Authority (Housing Authority) blended component unit, and the fleet maintenance internal service fund. Business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government wide financial statements.

On the Statement of Activities, amounts reported as program revenues include 1) fees, fines, and charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenues also include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Operating revenues of the City's enterprise funds are primarily from charges for sewer, trash and irrigation services. Transfers to the General Fund for operating expenses - including the proprietary funds' share of utility billing, collections, audit, administration, and other services - are categorized under nonoperating expenses.

C. BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. Major funds are defined as the General Fund and any other fund whose revenues, expenditures/expenses, assets and deferred outflows of resources, or liabilities and deferred inflows of resources are at least 10 percent of the corresponding total for all funds of that category or type (i.e., total governmental or total enterprise funds) and at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

The City reports the following major governmental funds:

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

Capital Projects Fund - The Capital Projects Fund is used to account for the acquisition and construction of the City's major capital facilities, other than those financed by proprietary funds.

Community Center Fund - The Community Center Fund is used to account for operations of the community recreation center. A one percent City sales and use tax was approved in 2009 to provide funding for debt payments and operational costs. A portion of this tax (60%) will expire in 30 years or upon payment of the debt, whichever comes first. The remaining tax (40%) will continue as an operational subsidy for the community center.

Debt Service Fund – The Debt Service Fund is used to account for the principal and interest payments on the City's governmental debt obligations.

The City reports the following major proprietary funds:

Sewer Fund – The Sewer Fund accounts for the activities of wastewater collection and treatment system activities.

Additionally, the City reports the following fund types:

The *internal service fund* accounts for fleet maintenance and management services provided to other departments of the City.

The *private-purpose trust fund* accounts for school land dedication contributions made from new residential development for the benefit of Mesa County School District #51.

The *pension trust funds* account for the activities of the various defined contribution retirement plans of the City.

Certain activities occur during the year involving transfers of resources between funds. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements.

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

1) Long-term Economic Focus and Accrual Basis.

Both the governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

2) Current Financial Focus and Modified Accrual Basis.

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual; that is, both measurable and available. Revenues are considered available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 75 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred except for principal and interest on general long-term debt and compensated absences which are recognized as expenditures when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under financed purchases are reports as other financing sources.

Property taxes, sales taxes, franchise taxes 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 year. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for these revenue sources (within 75 days of year end). All other revenues are considered to be measurable and available only when cash is received by the City.

E. FINANCIAL REPORTING ENTITY

The City is a municipal corporation which was established in 1884 and operates under a City Council-Manager form of government with six elected council members, an elected mayor and an appointed manager, subject to the provisions of Article XX of the Colorado Constitution and The Municipal Home Rule Act of 1971. The accompanying financial statements include the accounts of all City operations.

GASB has specified the criteria to be used in defining a governmental entity for financial reporting purposes. The reporting entity consists of (a) the primary government; i.e., the City, and (b) any organizations for which the City is financially accountable. The City is considered financially accountable for legally separate organizations if it can appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific burdens on, the City.

In conformity with generally accepted accounting principles, the following component unit is included in the financial reporting entity as a blended component unit. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are presented as funds of the primary government.

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Fruita Housing Authority (Housing Authority). The Housing Authority was established by the City Council under Resolution 2022-02, as amended by Resolution 2022-02a, and further amended by Resolution 2022-41 as a body corporate pursuant to Colorado Housing Authorities Law (C.R.S. §29-4-201, *et seq.*) as it may be amended from time to time. The purpose of the Housing Authority is to assist the City in meeting its goals of housing for those who want to live in Fruita and maintain various types of housing within the City by fostering and coordinating cooperation with partners to create affordable housing through tax abatement programming. The Mayor and City Council serve as ex-officio members of the Board of Commissioners of the Housing Authority and the boundaries of the Housing Authority are defined as the City limits.

F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE

1) Cash and cash equivalents

The City's cash and investments include cash on hand, demand deposits, and non-negotiable certificates of deposit.

2) Investments

Investments with a maturity of less than one year when purchased and non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received when selling an investment in an orderly transaction at year end.

3) Receivables

The City's receivables are comprised mainly of loans, leases, accounts, taxes and grants.

4) Inventories

Inventories are valued at cost using the first-in, first-out (FIFO) method and consist of fuel. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

5) Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

6) Restricted assets

For governmental activities and governmental funds, certain cash is classified as restricted because its use is limited to a) debt service and b) use of development impact fees for capital projects. Business-type activities report restricted cash because its use is limited to debt service.

7) Capital assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets – such as roads, bridges, sidewalks, and similar items - and are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position.

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Capital assets, except for infrastructure assets, are defined by the City as assets with an initial, individual cost of more than \$2,500 and an estimated useful life more than three years with the exception of Sewer Fund capital assets, which are defined as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of three years. Infrastructure assets are defined as assets or projects which have a cost of more than \$10,000 and a useful life of more than five years.

As the City acquires or constructs capital assets, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity, efficiency or estimated useful life.

Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Depreciation is computed using the straight-line method over the estimated useful life of the asset. Lease and subscription assets are amortized over the lease/subscription term or the life of the asset, whichever is less. Land, source of supply (water shares) and construction in progress are not depreciated.

The estimated useful lives of the City's capital assets are as follows:

<u>Capital Asset Classes</u>	<u>Lives</u>
Distribution and collection system	5 - 50
Buildings and improvements	10 - 50
Machinery and equipment	3 - 25
Right-to-use leased equipment	20 - 40
Infrastructure	20 - 40

7) Compensated absences

Vacation and sick benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and the City has estimated it is more likely than not that the City will compensate the employees through paid time off or some other means. The liability for such leave is reported as incurred in the governmental-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

8) Deferred inflows and outflows of resources

In addition to liabilities, the Statement of Financial Position reports a separate section for *deferred inflows of resources*. Deferred inflows of resources represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualifies for reporting in this category - unavailable property tax revenue and lease related revenues. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable and are recognized as an inflow of resources (revenue) in the period they are collected. Lease-related revenues primarily consist of payments received by the City from leasing out assets such as land, buildings, or equipment to third parties under various lease agreements. The timing for recognizing lease-related revenues as inflows of resources is dependent on the terms and conditions outlined in the lease agreements, which may include upfront payments, periodic payments, or other arrangements.

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

In addition to assets, the Statement of Financial Position reports a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any items that qualify for reporting in this category.

9) Leases and subscription-based information technology arrangements

a. Leases

City as lessee:

Leases are defined as the right to use an underlying asset. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. Leases with terms of 12 months or less or that transfer ownership of the underlying asset are exempt from recognition and are expensed as incurred.

Lease assets are initially measured as the amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City determines the discount rate it uses to discount the expected lease payments to present value, the lease term, and lease payments.

- **Discount Rate:** The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases.
- **Lease Term:** The lease term includes the non-cancellable period of the lease and any extension periods reasonably expected to be exercised.
- **Lease Payments:** Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the City is reasonably certain to exercise. The lease payments may be subject to annual adjustments, and such variable payments are recognized as an expense when the estimated adjustment differs from fixed payments initially used to measure the liability.

The City monitors changes in circumstances that would require remeasurement of its lease and will remeasure the lease asset and lease liability if certain changes occur that are expected to significantly affect the amount of the lease asset.

City as lessor:

The City is a lessor for use of facilities, land, and other property. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- **Discount Rate:** The discount rate is the interest rate implicit in the lease, or the City's incremental borrowing rate if the implicit rate is not determinable.
- **Lease Term:** The lease term includes the non-cancellable period of the lease and extended term(s) that the City is reasonably certain the lessee will exercise.
- **Lease Receipts:** Lease receipts included in the measurement of the lease receivable are composed of fixed payments and minimum guaranteed payments from the lessee.

The City monitors changes in circumstances that would require remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

b. Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is a contract that conveys control of the right-to-use a third-party's information technology software. SBITAs with the maximum possible term under the SBITA contract of 12 months or less are considered short term SBITAs and recognized as outflows of resources.

The City recognizes a subscription liability and an intangible right to use subscription asset at the commencement of the contract unless the SBITA is considered a short term SBITA or the contract is considered a transfer of ownership of the underlying assets. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term using the City's incremental borrowing rate. A subscription asset is initially recorded at the initial measurement of the subscription liability, plus subscription payments made at the commencement of the subscription term, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription term begins when the City has obtained control of the right to use the underlying subscription asset and the subscription asset is placed into service.

A subscription asset is amortized on a straight line basis over the shorter of the subscription term or the useful life of the underlying subscription asset. Remeasurement of the subscription liability occurs when there is a change in the subscription term or other significant factors impacting the liability.

The City calculates the amortization of the discount on the subscription liability and reports that amount as outflows of resources. For SBITAs that do not have implicit interest rates, the incremental borrowing rate is used. The incremental borrowing rate is the interest rate the City would have to pay if it borrowed the funds necessary to obtain the SBITA.

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

10) Unearned revenues

Unearned revenues arise when potential revenues does not meet both the “measurable and available” criteria for recognition in the current period or when potential revenues is unearned. This includes development impact fees subject to refund if not spent on the purpose for which collected, grant revenues, and unallocated credit balances on utility accounts. In subsequent periods, when revenue recognition criteria are met or when the City has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

11) Net position

For government-wide reporting, as well as in proprietary funds, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation / amortization and reduced by outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets.
- *Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on their use either by external parties or by law through the enabling legislation.
- *Unrestricted* net position is the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that does not meet the definition of the two preceding categories.

Net position flow assumption. At times, the City may allocate funds for specific purposes using resources from both restricted (e.g., restricted bond or grant proceeds) and unrestricted sources. To determine the amounts reported as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption is necessary regarding the sequence in which these resources are deemed to be utilized. It is the policy of the City to apply restricted net position before unrestricted net position when calculating resource utilization. This means that restricted resources are considered to be depleted first before turning to unrestricted resources.

12) Comparative Information

The financial statements and related notes include certain prior year comparative information. Accordingly, such information should be read in conjunction with the City’s financial statements for the fiscal year ended December 31, 2023, from which these totals were derived.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY
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A. BUDGETARY BASIS OF ACCOUNTING

The annual budget is prepared on a budgetary basis of accounting which differs from the basis of accounting used for financial reporting purposes according to GAAP for proprietary funds. The budgetary basis differs from GAAP primarily because certain revenues and expenditures are recognized on a cash basis rather than on the modified accrual or accrual basis. Adjustments necessary to convert the results of operations and fund balances at the end of the year from the budgetary basis to GAAP basis are provided in the individual fund financial statements.

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

B. BUDGETARY INFORMATION

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

- 1) Budget Preparation. The City Charter sets forth the budget requirements for the City. The City Manager shall direct the preparation of a proposed budget which is required to be submitted to the City Council 90 days prior to the end of the current fiscal year. The budget shall include proposed revenues and expenditures, estimates of current year revenues, and expenses along with any surplus funds, and a comparison with the prior year's budget. Expenses are broken down by department, and further broken by expense category such as personnel, operating, capital and other expenses.
 - a. Public Hearings: Public hearings on the proposed budget are conducted to obtain citizen input and feedback.
 - b. Budget Adoption: The budget is legally enacted through passage of a resolution by the City Council.
 - c. Budgetary Control: The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the department level.
 - d. Budget Amendments: The City Council is required to approve any supplemental or emergency appropriations amending the adopted budget as well as any transfers between departments or from contingency accounts. The City Manager is authorized to transfer budgeted amounts within any department; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Council.
 - e. Encumbrances: Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e., purchase orders, contracts, and commitments). While all appropriations and encumbrances technically lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are reappropriated and become part of the subsequent year's budget.
- 2) Budgetary Compliance. During the fiscal year ended December 31, 2024, expenditures in the Housing Authority Fund and the Trash Fund exceeded the respective appropriated amounts. This may be a violation of state statute.
- 3) Fiduciary funds. Fiduciary funds for employee retirement plans and the agency trust fund for school land dedication fees do not have appropriated budgets since other means control the use of these resources.

C. TABOR AMENDMENT

In November 1992, the Colorado Constitution was amended to add various revenue and expenditure limits and other specific requirements of state and local governments. The amendment - known as the Taxpayers' Bill of Rights (TABOR) - requires prior voter approval to increase the City's real property tax revenues from one year to the next in excess of the rate of inflation plus a growth factor; any new tax, tax rate increase; mill levy increase; extension of an expiring tax which causes a net tax revenue gain; or new long-term financial obligations. Any revenue collected, kept, or spent in violation of these provisions must be refunded with interest.

Voters of the City have approved increases in tax rates with the revenues approved as exceptions to the revenue and spending limits imposed by TABOR as follows:

City of Fruita, Colorado
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- In 2020, voters approved a 3% increase in lodger’s tax for the purposes of public places and economic development.
- In 2008, voters approved a 1% increase in the sales and use tax rate for the construction and operation of the Fruita Community Center.
- In 1996, voters approved a 3% lodger’s tax for the purpose of marketing and promoting the city.

The City has received voter approval to retain all revenues, including grants, that exceed the fiscal year spending limit for the purpose of implementing the City’s capital improvement plan and maintaining capital improvements until December 31, 2024. In April 2024, this approval was extended, allowing the City to continue retaining excess revenues for capital improvements until December 31, 2030.

The TABOR amendment also requires local governments to establish an Emergency Reserve of least three percent of fiscal year spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. As of December 31, 2024, the emergency reserve of \$639,390 is reported as restricted fund balance/net position in the General Fund/Governmental Activities.

NOTE 3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

Pursuant to the City Charter, funds not needed for current operations may be invested pursuant to Colorado Revised Statutes. The City Council is required to designate depositories for city funds. General objectives for investment of the City funds, in priority order, are 1) safety with a goal to mitigate credit and interest rate risk; 2) liquidity to ensure that funds are available for operating and capital requirements; and 3) rate of return with an objective of attaining a market rate.

For banks and savings and loan associations, designated depositories must be designated as eligible public depositories under the Colorado Public Deposit Protection Act (PDPA) and meet minimum credit criteria based on a credit analysis provided by a commercially available bank rating service.

The City utilizes a pooled cash and investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

1) Cash deposits with financial institutions

The City’s deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held under PDPA and have a satisfactory bank rating. The PDPA requires that all deposits be secured by federal deposit insurance or secured by collateral with another financial institution securing 102% of the market value of public funds held which exceed the amount insured by federal deposit insurance.

City of Fruita, Colorado
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The composition of all cash held by the City at December 31, 2024, including fiduciary funds was as follows:

	Bank Balance	Carrying Balance
Cash on hand	\$ -	\$ 1,900
Checking	9,744,218	9,672,330
Money market	5,046,337	5,046,339
Certificates of deposit*	1,977,652	1,977,652
Investment pools	22,614,143	22,614,143
Investments	5,870,827	5,848,530
	<u>\$ 45,253,177</u>	<u>\$ 45,160,894</u>

*Non-negotiable

Cash and investments as of December 31, 2024 were reported in the financial statements as follows:

Government-wide Statement of Net Position	Cash and investments	Restricted cash and investments	Total
Governmental activities	\$ 24,797,078	\$ 4,826,517	\$ 29,623,595
Business-type activities	8,448,090	1,051,568	9,499,658
<u>Fiduciary Funds Statement of Net Position</u>			
Money Purchase Plan - General	-	2,804,664	2,804,664
Money Purchase Plan - Police	-	3,043,866	3,043,866
Private-purpose trust fund	189,111	-	189,111
Total cash and investments	<u>\$ 33,434,279</u>	<u>\$ 11,726,615</u>	<u>\$ 45,160,894</u>

2) Investments

The City's investments include the external investment pools, Colorado Surplus Asset Fund Trust (CSAFE) and the Colorado Local Government Liquid Asset Trust (COLOTRUST). CSAFE and COLOTRUST are local government investment pool trust funds registered with the Colorado Securities Commissioner pursuant to the Local Government Investment Pool Trust Fund Administration and Enforcement Act. Financial statements for each pool are available on their websites: (CSAFE) www.csafe.org and (COLOTRUST) www.colotruster.com.

The CSAFE and COLOTRUST cash investments are valued at \$1 net asset value (NAV) per share and are calculated on an amortized cost basis which approximates fair value as provided for by GASB Statement 79. The CSAFE CORE investments are valued at \$2 NAV per share and are calculated on a fair value basis as provided for by GASB Statements 31 and 72. Redemptions are limited to three per month and require a twenty-four hour notice.

The COLOTRUST EDGE investments are valued at a variable NAV of approximately \$9.97 per share. Investments are calculated on a fair value basis as provided for by GASB Statements 31 and 72. Redemptions are unlimited and met on a transaction date plus five business days' basis.

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
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As of December 31, 2024, the City had the following investments:

Investment type	Rating	Market Value	Weighted Average Maturity
Investment pools:			
CSAFE	AAAmf	\$ 8,242,621	< 60 days
CSAFE CORE	AAAf/S1	5,193,627	< 180 days
COLOTRUST	AAA	7,273,372	< 60 days
COLOTRUST EDGE	AAAf/S1	<u>1,904,523</u>	> 60 days
		<u>\$ 22,614,143</u>	

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to fair value losses arising from changing interest rates by adhering to Colorado statutes which do not allow investment maturities to exceed five years unless specifically authorized by the governing body. The City Council has not authorized longer maturities.

Concentration of credit risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City places no limit on the amount the City may invest in any one issuer.

3) Restricted Cash and Investments

Restricted cash and investments as of December 31, 2024 were recorded for the following purposes:

<u>Governmental activities</u>	
Development impact fees	\$ 4,078,317
Bond reserves	<u>748,200</u>
Total Governmental Activities	4,826,517
<u>Business-type activities</u>	
Loan covenants	<u>1,051,568</u>
Total Restricted Cash	<u>\$ 5,878,085</u>

B. Loans Receivable

In 2023, the Housing Authority executed a promissory note with IndiBuild Fruita LLLP in the amount of \$170,000. The note matures on July 31, 2063, at which time all unpaid principal and accrued interest is due, and is secured by a subordinate deed of trust on the project. The note bears interest at an annual rate 1%, compounded annually. Annual payments are required to the extent of available cash flow.

In 2024, the Housing Authority recognized \$1,706 of interest income on the promissory note. As of December 31, 2024, the Housing Authority has \$170,000 as a note receivable and \$1,706 as interest receivable.

City of Fruita, Colorado
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C. Leases Receivable

The City leases property to various entities. The lease agreements have various fixed monthly or annual payments and certain leases are subject to annual increases at a fixed rate or based on variable rates subject to annual revenue. The City has 5 active leases with interest rates that range from 0.4257% to 1.6220% per annum with maturity dates that range between 2025 and 2044. The total combined value of the leases receivable at December 31, 2024 is \$787,046, and the combined value of the deferred inflow of resources is \$744,917. During 2024, the City recognized \$61,953 in lease revenue and \$13,824 in interest revenue.

Lease receivable activity for the years following December 31, 2024 for governmental type activities is as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 49,330	\$ 11,606	\$ 60,935
2026	54,376	11,074	65,450
2027	56,060	10,308	66,367
2028	57,793	9,516	67,309
2029	59,577	8,698	68,275
2030 - 2034	159,661	34,789	194,450
2035 - 2039	172,087	21,800	193,887
2040 - 2044	178,162	6,440	184,604
	<u>\$ 787,046</u>	<u>\$ 114,231</u>	<u>\$ 901,277</u>

D. Interfund Transfers

The composition of interfund transfers for the year ended December 31, 2024 was as follows:

Transfers out	Transfers in						Total transfers out
	General	Marketing	Community Center	Housing Authority	Capital Projects	Debt Service	
General	\$ -	\$ 12,000	\$ 95,000	\$ -	\$ 2,700,983	\$ -	\$ 2,807,983
Conservation Trust	-	-	-	-	500,766	-	500,766
Economic Dev.	-	-	-	2,379	-	-	2,379
Community Center	6,000	-	-	-	29,718	726,200	761,918
Sewer	165,000	-	-	-	-	-	165,000
Trash	70,000	-	-	-	-	-	70,000
Irrigation Water	10,125	-	-	-	-	-	10,125
Total transfers in	<u>\$ 251,125</u>	<u>\$ 12,000</u>	<u>\$ 95,000</u>	<u>\$ 2,379</u>	<u>\$ 3,231,467</u>	<u>\$ 726,200</u>	<u>\$ 4,318,171</u>

During the year operating transfers were used to:

- 1) Move revenues from proprietary funds to the General Fund to offset administrative costs associated with the activities of the proprietary funds including billing for services, financial administration such as payroll processing, accounts payable, investments, auditing and general oversight and planning of proprietary fund activities.
- 2) Move General Fund resources to provide an annual subsidy to the Community Center Fund based on the historic funding of program activities from the General Fund prior to creation of the Community Center Fund and to the Marketing And Promotion Fund for marketing services based on annual revenue from lease of a billboard.

City of Fruita, Colorado
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3) Move sales and use tax revenues from the Community Center Fund to the Debt Service Fund to fund debt service principal and interest payments.

4) Move funds from the Economic Development Fund to the Housing Authority Fund.

5) Move funds to the Capital Projects Fund for various capital projects.

E. Capital Assets

The City's governmental activities capital asset activity for 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 10,314,701	\$ 397,317	\$ -	\$ 10,712,018
Construction in progress	1,134,604	4,074,854	(3,496,402)	1,713,056
Total capital assets not being depreciated	<u>11,449,305</u>	<u>4,472,171</u>	<u>(3,496,402)</u>	<u>12,425,074</u>
Capital assets, being depreciated:				
Buildings and other structures	22,633,871	1,387,179	(9,066)	24,011,984
Infrastructure	51,818,740	2,589,725	(360,532)	54,047,933
Machinery and equipment	13,459,958	3,926,181	(392,449)	16,993,690
Right-to-use leased equipment	49,588	18,381	(11,907)	56,062
SBITAs	718,964	104,322	-	823,286
Total capital assets being depreciated	<u>88,681,121</u>	<u>8,025,788</u>	<u>(773,954)</u>	<u>95,932,955</u>
Less accumulated depreciation for:				
Buildings and other structures	(8,948,887)	(714,993)	9,066	(9,654,814)
Infrastructure	(14,302,332)	(1,380,553)	288,426	(15,394,459)
Machinery and equipment	(7,070,237)	(620,158)	342,257	(7,348,138)
Right-to-use leased equipment	(15,374)	(20,433)	11,907	(23,900)
SBITAs	(73,370)	(118,677)	-	(192,047)
Total accumulated depreciation	<u>(30,410,200)</u>	<u>(2,854,814)</u>	<u>651,656</u>	<u>(32,613,358)</u>
Total capital assets being depreciated, net	<u>58,270,921</u>	<u>5,170,974</u>	<u>(122,298)</u>	<u>63,319,597</u>
Governmental activities capital assets, net	<u>\$ 69,720,226</u>	<u>\$ 9,643,145</u>	<u>\$ (3,618,700)</u>	<u>\$ 75,744,671</u>

Depreciation/amortization expense was charged to functions/programs of governmental activities as follows:

Governmental activities	
General government	\$ 317,262
Park and recreation	893,753
Public works	1,428,884
Public safety	210,301
	<u>2,850,200</u>
Internal service funds*	4,614
Total depreciation/amortization expense	<u>\$ 2,854,814</u>

*Depreciation of capital assets held by the City's internal service fund is charged to the various functions based on their usage of the assets.

City of Fruita, Colorado
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The City's business-type capital asset activity for 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 1,046,173	\$ -	\$ -	\$ 1,046,173
Source of supply	20,712	-	-	20,712
Construction in progress	<u>3,204,106</u>	<u>428,275</u>	<u>(3,457,740)</u>	<u>174,641</u>
Total capital assets not being depreciated	<u>4,270,991</u>	<u>428,275</u>	<u>(3,457,740)</u>	<u>1,241,526</u>
Capital assets, being depreciated:				
Buildings	1,803,043	-	-	1,803,043
Wastewater treatment facility	29,343,270	2,569,954	(2,473)	31,910,751
Distribution and collection system	25,769,620	1,532,434	(17,757)	27,284,297
Machinery and equipment	1,783,877	17,586	(31,960)	1,769,503
SBITAs	<u>20,082</u>	<u>-</u>	<u>-</u>	<u>20,082</u>
Total capital assets being depreciated	<u>58,719,892</u>	<u>4,119,974</u>	<u>(52,190)</u>	<u>62,787,676</u>
Less accumulated depreciation for:				
Buildings	(1,208,931)	(44,848)	-	(1,253,779)
Wastewater treatment facility	(8,804,727)	(790,930)	1,980	(9,593,677)
Distribution and collection system	(10,091,002)	(542,428)	15,291	(10,618,139)
Machinery and equipment	(1,430,506)	(69,157)	31,960	(1,467,703)
SBITAs	<u>(3,235)</u>	<u>(9,205)</u>	<u>-</u>	<u>(12,440)</u>
Total accumulated depreciation	<u>(21,538,401)</u>	<u>(1,456,568)</u>	<u>49,231</u>	<u>(22,945,738)</u>
Total capital assets being depreciated, net	<u>37,181,491</u>	<u>2,663,406</u>	<u>(2,959)</u>	<u>39,841,938</u>
Business-type activities capital assets, net	<u>\$ 41,452,482</u>	<u>\$ 3,091,681</u>	<u>\$ (3,460,699)</u>	<u>\$ 41,083,464</u>

Depreciation/amortization expense was charged to functions/programs of business-type activities as follows:

<u>Business-type activities</u>	
Sewer Fund	\$ 1,404,618
Devils Canyon Center Fund	43,936
Irrigation Water Fund	<u>8,014</u>
Total depreciation/amortization expense	<u>\$ 1,456,568</u>

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

F. Unearned Revenues

Unearned revenues are reported in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unearned revenue* were as follows:

<u>Governmental activities</u>	
Development impact fees	\$ 559,400
Grants and donations	327,679
Unallocated billing receipts	<u>75,815</u>
Total - Governmental	<u>\$ 962,894</u>
<u>Business-type activities</u>	
Grants	<u>\$ 284,213</u>
Total - Proprietary	<u>\$ 284,213</u>
Total all funds	<u>\$ 1,247,107</u>

G. Construction Commitments

The City has active construction projects as of December 31, 2024, including broadband carrier neutral location (CNL) and mitigation of H2S gas for the wastewater treatment system. At year end, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Governmental activities:		
Broadband CNL	\$ 266,124	\$ 274,263
Business-type activities:		
H2S Gas Mitigation	<u>1,967,930</u>	<u>78,081</u>
Total	<u>\$ 2,234,054</u>	<u>\$ 352,344</u>

The related appropriations for these commitments technically lapse at the end of the year but are reappropriated and become part of the subsequent year's budget because performance under the contract is expected to be completed in the following year.

H. Long-term Debt – Governmental Activities

1) Revenue Bonds

In 2019, the City issued \$10,115,000 in Sales and Use Tax Revenue Refunding Bonds (2019 Refunding Bonds) with an interest rate of 4% per annum. The proceeds, along with additional funds of the City, were used primarily to refinance at a lower interest rate \$12,180,000 of outstanding 2009A and 2009B Sales and Use Tax Revenue Bonds originally issued for construction of the community center and were used to redeem the outstanding bonds on October 1, 2019. The 2019 Refunding Bonds are to be repaid through a dedicated one cent sales and use tax that was implemented in January 2009. A debt service reserve was established in accordance with provisions of the bond ordinance in the amount of \$748,200.

The City is obligated under the agreement to make semi-annual payments each April 1, and October 1 until maturity on October 1, 2039. The outstanding balance on these bonds at December 31, 2024 was \$8,295,000, the unamortized premium on the bonds was \$633,106, and the unamortized discount on the bonds was \$21,424. Interest and escrow agent fee payments for 2024 of \$348,200 was recorded in the Debt Service Fund.

City of Fruita, Colorado
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Annual debt service requirements to maturity for special revenue bonds are as follows:

Year ended Dec. 31	Governmental Activities		
	Principal	Interest	Total
2025	\$ 415,000	\$ 331,800	\$ 746,800
2026	430,000	315,200	745,200
2027	450,000	298,000	748,000
2028	465,000	280,000	745,000
2029	485,000	361,400	846,400
2030 - 2034	2,730,000	1,000,000	3,730,000
2035 - 2039	3,320,000	408,600	3,728,600
	<u>\$ 8,295,000</u>	<u>\$ 2,995,000</u>	<u>\$ 11,290,000</u>

2) Non-monetary Performance Obligation Note Payable

In 2013, the City entered into a performance obligation note agreement with parties for the exchange of untreated irrigation water from the City's reservoirs on Pinyon Mesa and the future exchange of certain City-owned land and water rights to the parties for improvements constructed by the parties to Reservoir #1 and Mirror Lake Reservoir #1.

The cost of improvements to the reservoirs was \$484,764 with interest compounded annually at 4% per annum. In lieu of payment the City agreed to provide irrigation water to the parties at \$185 per acre foot with a minimum credit of 100 acre feet per year (\$18,500) for a period of up to 30 years, and to exchange specified land and water rights. Credits for exchange of water rights and land were applied to the nonmonetary amortization schedule in 2016.

In 2024, this agreement was cancelled as a result of an asset sale and the City recognized a gain of \$127,421 on the extinguishment of this performance obligation note.

3) Leases Payable

As of December 31, 2024, the City had 3 active leases payable that bear interest between 0.5517% and 3.305% per annum and mature between 2026 and 2029. At December 31, 2024, the total combined lease liability was \$33,032. The net book value of the right to use asset, as of December 31, 2024, was \$32,162.

Annual debt service requirements to maturity for leases payable are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 11,980	\$ 664	\$ 12,644
2026	9,355	435	9,790
2027	7,531	219	7,750
2028	3,841	59	3,900
2029	325	1	326
	<u>\$ 33,032</u>	<u>\$ 1,378</u>	<u>\$ 34,410</u>

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
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4) Subscription Based Information Technology Arrangements (SBITAs).

As of December 31, 2024, governmental activities of the City had 12 active subscriptions with interest rates that range from 2.6560% to 3.7420% per annum and maturities ranging from 2025 to 2031. The liability was projected using contractual future payments discounted using incremental borrowing rates published by Debt Books. As of December 31, 2024, the total combined subscription liability was \$603,927. The net book value of the SBITA asset, as of December 31, 2024, was \$631,239.

Annual debt service requirements to maturity for governmental SBITAs payable are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 110,844	\$ 18,552	\$ 129,396
2026	113,815	15,295	129,110
2027	106,847	11,869	118,716
2028	101,762	8,629	110,391
2029	79,185	5,517	84,702
2030 - 2031	91,474	4,264	95,738
	<u>\$ 603,927</u>	<u>\$ 64,126</u>	<u>\$ 668,053</u>

I. Long-term Debt – Business-type Activities

1) Loan Payable

The City entered into a loan agreement in 2010 with the Colorado Water Resources and Power Development Authority (CWRPDA) to finance construction of a new wastewater treatment facility in the amount of \$21,830,000 at a net effective interest rate of 3.53% per annum. The loan was issued with a premium of \$1,128,290 which covered costs of issuance and the underwriter’s discount of \$158,290 with the remaining \$970,000 deposited to the project construction fund for a total project construction fund of \$22,800,000. The net revenues of the sewer system are pledged as security for this loan.

The City is obligated under the agreement to make semi-annual payments each March 1, and September 1 until maturity on September 1, 2032. The loan agreement requires compliance with specified covenants and obligations- accordingly, the City has restricted \$1,083,442 of net position in the Sewer Fund.

The bonds underlying this loan were refunded in 2021 by CWRPDA and the loan payment schedule was revised to include credits each year to be applied against the loan interest first, with any remaining credits applied to principal. Principal reductions due to refunding savings credits do not reduce the total loan payable until the period the credits are realized. Total credits of \$2,018,852 are scheduled to be realized over the life of the loan with \$236,220 scheduled to be applied to the principal balance and the remaining credits of \$1,782,632 to be applied to annual interest expense.

The outstanding balance on this note at December 31, 2024 was \$11,565,000, and the unamortized premium on the loan for the wastewater treatment facility is \$161,166. Interest expense on the loan for 2024 was \$170,394 in the Sewer Fund.

City of Fruita, Colorado
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December 31, 2024

Annual debt service requirements to maturity for business-type loans payable are as follows:

Year Ending Dec. 31	Business-type Activities			Total
	Principal	Interest	Credits	
2025	\$ 1,185,000	\$ 306,139	\$ (168,624)	\$ 1,322,515
2026	1,255,000	275,520	(165,575)	1,364,945
2027	1,325,000	241,710	(168,010)	1,398,700
2028	1,400,000	206,279	(169,554)	1,436,725
2029	1,480,000	169,030	(164,335)	1,484,695
2030 - 2032	4,920,000	263,923	(166,680)	5,017,243
	<u>\$ 11,565,000</u>	<u>\$ 1,462,601</u>	<u>\$ (1,002,778)</u>	<u>\$ 12,024,823</u>

2) Subscription Based Information Technology Arrangements (SBITAs)

As of December 31, 2024, business-type activities of the City had 1 active subscription, which matures in 2025. The liability was projected using contractual future payments discounted using an incremental borrowing rate of 3.1020% as published by DebtBooks. As of December 31, 2024, the value of the subscription liability was \$6,353 and the net book value of the SBITA asset was \$7,642.

Annual debt service requirements to maturity for business-type SBITAs payable are as follows:

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2025	\$ 6,353	\$ 275	\$ 6,628
	<u>\$ 6,353</u>	<u>\$ 275</u>	<u>\$ 6,628</u>

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City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS

December 31, 2024

J. Changes in Long-term Liabilities.

The following tables represent changes in long term obligations of the City for the year ended December 31, 2024. The internal service fund predominately serves the governmental funds. Accordingly, their long-term liabilities and compensated absences payable are included as part of the following totals for governmental activities.

	Beginning Balance (restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds:					
2019 FCC Refunding Bonds	\$ 8,695,000	\$ -	\$ (400,000)	\$ 8,295,000	\$ 415,000
Discount on bonds	(24,197)	-	2,773	(21,424)	-
Premium on bonds	715,060	-	(81,954)	633,106	-
Total bonds payable	\$ 9,385,863	\$ -	\$ (479,181)	\$ 8,906,682	\$ 415,000
Performance obligation note	127,421	-	(127,421)	-	-
Leases payable	35,062	18,381	(20,411)	33,032	11,980
SBITAs payable	614,620	104,322	(115,015)	603,927	110,844
Compensated absences, net	562,604	-	(19,749)	542,855	291,529
Total	\$ 10,725,570	\$ 122,703	\$ (761,777)	\$ 10,086,496	\$ 829,353

	Beginning Balance (restated)	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Loans payable:					
Sewer WWTF loan	\$ 12,685,000	\$ -	\$ (1,120,000)	\$ 11,565,000	\$ 1,185,000
Premium on loan	203,803	-	(42,637)	161,166	-
Total loans payable	\$ 12,888,803	\$ -	\$ (1,162,637)	\$ 11,726,166	\$ 1,185,000
SBITAs payable	17,482	-	(11,129)	6,353	6,353
Compensated absences, net	26,915	-	(955)	25,960	14,073
Total	\$ 12,933,200	\$ -	\$ (1,174,721)	\$ 11,758,479	\$ 1,205,426

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

The compensated absence liability will be paid from the following funds from which the employees' salaries are paid: General Fund, Community Center Fund, Marketing and Promotion Fund, Irrigation Water Fund, Sewer Fund, and Fleet Maintenance Internal Service Fund.

K. Conduit Debt Obligations

To further healthcare in the City, the City issued Healthcare Revenue Bonds, Series 2017A and 2017B, that meet the definition of a conduit debt obligation. Conduit debt is where one entity (the City) issues debt for the benefit of a third party, who is wholly responsible for repayment. The bonds refinanced the Series 2008 bonds and provided additional funds for construction. The bonds are secured by real property and equipment of the Lower Valley Hospital Association (LVHA) and are payable solely by LVHA. The City has not extended any additional commitments for the debt service payments of the bonds beyond the collateral and the payments from LVHA and maintenance of the tax-exempt status of the conduit debt obligation. At December 31, 2024, there was an outstanding principal amount payable of \$37,400,000, none of which was recognized as a liability of the City

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

L. Fund Balance Disclosures

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance”. It serves as a measure of the financial resources available for future spending and provides insight into the financial health and stability of the City. The City’s governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- *Nonspendable* fund balance represents amounts that are either not in a spendable form or legally or contractually required to remain intact.
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- *Committed* fund balance represents amounts that can be used only for purposes specified in a resolution adopted by City Council committing fund balance for a specified purpose prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until the resources have been spent for the specified purpose or the Council adopts another resolution to remove or revise the limitation.
- *Assigned* fund balance represents amounts that are intended to be used for specific purposes but do not meet the criteria to be classified as committed. Fund balance may be assigned by the City Council or the City Manager. Unlike commitments, assignments generally only exist temporarily. Additional action does not normally have to be taken for the removal of the assignments.
- *Unassigned* fund balance represents the residual amount for the General Fund that is not included in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance.

Fund balance flow assumption. It is the City’s policy to consider restricted fund balance to have been depleted first before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The Council has adopted a financial policy to maintain an operating reserve in the General Fund equal to 25% of the current year’s operating expenses. This amount is intended to provide fiscal stability, offset unanticipated reductions in revenues or short-term increases in expenditures, and provide resources for cash flow management. The operating reserve of \$2,447,958 is reflected in the unassigned fund balance in the General Fund. Any use of the operating reserve must be approved by the Fruita City Council and replaced as soon as possible thereafter.

The Council has also adopted a financial policy to maintain an operating reserve in the Community Center Fund in an amount equal to 25% of the current year’s operating expenses. The Committed fund balance of \$1,605,543 in the Community Center Fund represents this operating reserve of 25% of the current year’s operating expenses in the amount of \$605,543 plus a facility/equipment improvement reserve in the amount of \$1,000,000 for future facility and equipment improvements.

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

As of December 31, 2024, fund balances were composed of the following:

	<u>General</u>	<u>Capital Projects</u>	<u>Community Center</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total</u>
FUND BALANCES						
Nonspendable						
Inventories	\$ 6,108	\$ -	\$ -	\$ -	\$ -	\$ 6,108
Notes receivable	-	-	-	-	171,706	171,706
Restricted						
Debt service	-	-	-	761,070	-	761,070
Economic development	-	-	-	-	299,470	299,470
Housing Authority	-	-	-	-	12,704	12,704
Marketing and promotion	-	-	-	-	317,002	317,002
Community Center	-	-	925,615	-	-	925,615
Parks and open space	-	874,289	-	-	69,824	944,113
Public places	-	-	-	-	201,850	201,850
Streets and drainage	261,841	2,630,626	-	-	-	2,892,467
Public safety	606,302	-	-	-	-	606,302
Emergency reserve	639,390	-	-	-	-	639,390
Committed for Community Center	-	-	1,605,543	-	-	1,605,543
Assigned						
Art acquisition	16,577	-	-	-	-	16,577
Capital projects	-	19,036	-	-	-	19,036
Equipment replacement	1,702,278	-	-	-	-	1,702,278
Health insurance reserve	328,468	-	-	-	-	328,468
Parks and open space	565,530	-	-	-	-	565,530
Scholarship program	44,248	-	-	-	-	44,248
Subsequent year expenditures	8,906,200	-	1,936,400	-	21,000	10,863,600
War memorial maintenance	2,289	-	-	-	-	2,289
Unassigned:						
Unassigned	4,933,120	-	-	-	-	4,933,120
Operating reserve	2,447,958	-	-	-	-	2,447,958
Total fund balances	<u>\$ 20,460,309</u>	<u>\$ 3,523,951</u>	<u>\$ 4,467,558</u>	<u>\$ 761,070</u>	<u>\$ 1,093,556</u>	<u>\$ 30,306,444</u>

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 4. OTHER INFORMATION

A. Deferred Compensation Plan

The City offers its full time, year-round employees a deferred compensation plan created in accordance with section 457 of the Internal Revenue Code (457 Plan). The 457 Plan permits eligible employees to defer a portion of their salary until future years. All compensation deferred under the 457 Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the participants and their beneficiaries. Compensation deferred under the 457 Plan is not available to employees until termination, retirement, death, or unforeseeable emergency. The City does not contribute to the 457 Plan; however, the City does match participating employees' contributions through a contribution to the City's 401(a) plan as discussed below. Employees may elect to defer any percentage of their annual compensation, provided that the total annual contribution does not exceed limitations established by the Internal Revenue Service. Investment decisions within the 457 Plan are determined by the individual participants and, therefore, the 457 Plan's investment concentration varies between participants. Mission Square Retirement is the Trustee of the 457 Plan and the City, accordingly, has no liability for losses under the plan. However, the City does have the duty of due care that would be required of an ordinary prudent investor. Consequently, the 457 Plan is not part of the City's financial statements.

B. Pension Plans

The City maintains three defined contribution pension plans for various classes of employees. In a defined contribution plan, benefits depend solely on amounts contributed on the participants behalf plus investment gains and/or losses. There is no liability for benefits under the plan beyond the City's contributions. All plan assets are held by Mission Square Retirement (formerly ICMA-RC). Investments are managed by the plan's trustee under various investment options. The plan members choose from the available investment options. Plan provisions and contribution requirements are established and may be amended by the City Council.

1) City of Fruita Money Purchase Plan

The City of Fruita Money Purchase Plan is a defined contribution retirement plan for all full-time employees, other than sworn police officers and the city manager, established in accordance with Internal Revenue Code (IRC) Section 401(a).

Under this plan, the City contributes 4 ½% of the employee's eligible compensation as defined by the plan. The City contributes an additional 1 ½% match to participants that contribute 1 ½% to the City's voluntary 457 deferred compensation plan. For the year ended December 31, 2024, the City made all required contributions to the City of Fruita Money Purchase Pension Plan in the amount of \$237,926. There were 88 active participants in the plan in 2024.

Vesting of the City's contribution is 50% at the completion of three years of service, 75% at the completion of four years of service and 100% at the completion of five years. Non-vested City contributions are forfeited upon termination of employment. Such forfeitures are used to offset future contributions and plan expenses. For the year ended December 31, 2024, forfeitures of \$0 were used to offset contributions.

2) City of Fruita Money Purchase Plan – Executive

The City of Fruita Executive Pension Plan is a defined contribution retirement plan for designated executive employees established in accordance with Internal Revenue Code (IRC) Section 401(a).

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

Under this plan, the City contributes 10% of the amount of the employee's eligible compensation as defined by the plan. No contributions are required or made by employees to the plan. For the year ended December 31, 2024, the City made all required contributions to the Fruita Executive Pension Plan in the amount of \$18,924. There was one active participant in the plan in 2024.

Vesting of the City's contribution is 100% upon employment.

3) Fruita Police Pension Plan

The Fruita Police Pension Plan is a defined contribution retirement plan for all sworn police officers established in accordance with Internal Revenue Code (IRC) Section 401(a).

Under this plan the employee contributes a mandatory ten percent (10%) of eligible compensation and the City contributes fourteen percent (14%) to the retirement plan. For the year ended December 31, 2024, the City made all required contributions to the Fruita Police Pension Plan in the amount of \$203,081.

The City's contribution for each employee becomes 20% vested at the completion of two years of service, 40% at the completion of three years of service, 60% at the completion of four years of service and 100% vested at the completion of five years of service. The employee is 100% vested in their contribution. Non-vested City contributions are forfeited upon termination of employment. Such forfeitures are used to offset future contributions and plan expenses. For the year ended December 31, 2024, there were no forfeitures used to offset contributions. There were 21 active participants in the plan in 2024.

C. Risk Management

The City is exposed to various risks of loss related to torts; theft of or damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. For these risks of loss, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by the intergovernmental agreements of 283 Colorado municipalities and affiliated public entities to provide property, vehicle and casualty insurance coverage to its members for risks of loss and 134 members to provide workers' compensation coverage. Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage to limit large losses and minimize exposure on large risks.

CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and the amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so. As a member of CIRSA, the City owns a proportionate share of CIRSA's net position.

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

CIRSA’s combined financial information for the year ended December 31, 2024 is summarized as follows:

Assets:	
Current assets	\$ 50,094,163
Noncurrent assets	<u>54,772,731</u>
Total assets	<u><u>104,866,894</u></u>
Current liabilities	33,198,037
Noncurrent liabilities	<u>33,858,236</u>
Total liabilities	<u>67,056,273</u>
Net position	<u><u>\$ 37,810,621</u></u>
Total contributions and other revenue	\$ 55,696,415
Total expenses and distributions	<u>(51,954,991)</u>
Change in net position	<u><u>\$ 3,741,424</u></u>

D. Pending Litigation

The City does not have any currently open litigation cases. The City is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations that may occur. Although the outcome of these lawsuits is not determinable, in the opinion of the City’s legal counsel, the resolution of these matters will not have a material effect the financial condition of the City.

E. Implementation of Accounting Standard and Restatement of Net Position

During 2024, the City implemented GASB Statement No. 101, *Compensated Absences* (GASB 101). GASB 101 requires that the City recognize a liability for all forms of compensated absences, including those that are not paid upon an employee’s separation from service, such as sick leave. GASB 101 requires governments to estimate the compensated absence liability based on historical data regarding the accumulation and forfeiture of leave balances rather than solely based on termination payouts. The effects of the change in accounting principle are summarized below in the “Change in Accounting Principle” column in the table below.

	Net position 12/31/23 as previously reported	Change in accounting principle	Net position 12/31/2023 as restated
Government-wide			
Governmental activities	\$ 88,640,410	\$ (201,172)	\$ 88,439,238
Business-type activities	<u>37,105,642</u>	<u>(614)</u>	<u>37,105,028</u>
Total government-wide	<u><u>\$ 125,746,052</u></u>	<u><u>\$ (201,786)</u></u>	<u><u>\$ 125,544,266</u></u>
Proprietary funds			
Enterprise funds:			
Sewer fund	35,506,932	574	35,507,506
Irrigation Water fund	<u>386,206</u>	<u>(1,188)</u>	<u>385,018</u>
Total enterprise funds	<u><u>\$ 35,893,138</u></u>	<u><u>\$ (614)</u></u>	<u><u>\$ 35,892,524</u></u>
Internal service fund	<u><u>\$ 37,121</u></u>	<u><u>\$ (2,591)</u></u>	<u><u>\$ 34,530</u></u>

***Required
Supplementary Information***

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND
For the year ended December 31, 2024

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Property	\$ 1,850,000	\$ 1,850,000	\$ 2,094,299	\$ 244,299
City sales	3,650,000	3,650,000	3,720,533	70,533
County sales	3,375,000	3,375,000	3,453,933	78,933
County sales - Public safety	500,000	500,000	519,130	19,130
Use tax	1,150,000	1,150,000	1,068,594	(81,406)
Other	686,500	686,500	760,667	74,167
Licenses and permits	61,900	61,900	74,625	12,725
Intergovernmental	582,350	587,350	790,970	203,620
Charges for services	443,000	458,000	442,158	(15,842)
Fines and forfeitures	31,650	31,650	32,354	704
Development impact fees	-	-	36,010	36,010
Investment income	400,000	400,000	760,472	360,472
Interest on leases	-	-	3,212	3,212
Rents	49,000	49,000	46,176	(2,824)
Donations	30,000	31,300	40,521	9,221
Miscellaneous	2,500	6,400	45,854	39,454
Total revenues	<u>12,811,900</u>	<u>12,837,100</u>	<u>13,889,508</u>	<u>1,052,408</u>
EXPENDITURES				
General government	1,106,150	1,138,850	1,111,475	27,375
Administration	1,289,975	1,300,940	1,089,916	211,024
Engineering	528,950	628,950	591,074	37,876
Community development	871,400	866,900	795,540	71,360
Public safety	3,143,015	3,176,410	3,098,274	78,136
Public works	2,423,995	2,231,245	1,887,370	343,875
Parks and recreation	1,417,425	1,422,550	1,298,630	123,920
Non-departmental	837,625	697,225	491,919	205,306
Debt service				
Principal	-	-	119,272	(119,272)
Interest and fiscal charges	-	-	12,048	(12,048)
Capital outlay	536,000	1,227,900	1,126,260	101,640
Total expenditures	<u>12,154,535</u>	<u>12,690,970</u>	<u>11,621,778</u>	<u>1,069,192</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	657,365	146,130	2,267,730	2,121,600
OTHER FINANCING SOURCES (USES)				
Lease proceeds	-	-	18,381	18,381
Subscription financing	-	-	104,322	104,322
Sale of capital assets	-	-	788,589	788,589
Insurance awards and refunds	-	42,250	59,958	17,708
Transfers in	251,125	251,125	251,125	-
Transfers (out)	(7,224,570)	(10,022,375)	(2,807,983)	7,214,392
Total other financing sources and (uses)	<u>(6,973,445)</u>	<u>(9,729,000)</u>	<u>(1,585,608)</u>	<u>8,143,392</u>
NET CHANGE IN FUND BALANCE	(6,316,080)	(9,582,870)	682,122	10,264,992
Fund balance - Beginning	<u>16,443,627</u>	<u>16,443,627</u>	<u>19,778,187</u>	<u>-</u>
Fund balance - Ending	<u>\$ 10,127,547</u>	<u>\$ 6,860,757</u>	<u>\$ 20,460,309</u>	<u>\$ 10,264,992</u>

City of Fruita, Colorado

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
COMMUNITY CENTER SPECIAL REVENUE FUND
For the year ended December 31, 2024

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
City sales	\$ 1,825,000	\$ 1,825,000	\$ 1,860,267	\$ 35,267
Use tax	575,000	575,000	534,297	(40,703)
Charges for services	1,317,500	1,317,500	1,418,451	100,951
Investment income	40,000	40,000	71,468	31,468
Interest on leases	-	-	10,612	10,612
Rents	74,000	74,000	92,800	18,800
Donations	-	-	1,308	1,308
Miscellaneous	-	-	7,726	7,726
Total revenues	<u>3,831,500</u>	<u>3,831,500</u>	<u>3,996,929</u>	<u>165,429</u>
EXPENDITURES				
Recreation	2,668,700	2,668,700	2,422,172	246,528
Debt service				
Principal	-	-	9,236	(9,236)
Interest	-	-	568	(568)
Capital outlay	900,000	1,820,000	1,084,851	735,149
Total expenditures	<u>3,568,700</u>	<u>4,488,700</u>	<u>3,516,827</u>	<u>971,873</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	262,800	(657,200)	480,102	1,137,302
OTHER FINANCING SOURCES (USES)				
Transfers in	95,000	95,000	95,000	-
Transfers out	(762,200)	(762,200)	(761,918)	282
Total other financing sources (uses)	<u>(667,200)</u>	<u>(667,200)</u>	<u>(666,918)</u>	<u>282</u>
NET CHANGE IN FUND BALANCE	(404,400)	(1,324,400)	(186,816)	1,137,584
Fund balance - Beginning	<u>3,636,195</u>	<u>3,636,195</u>	<u>4,654,374</u>	<u>1,018,179</u>
Fund balance - Ending	<u>\$ 3,231,795</u>	<u>\$ 2,311,795</u>	<u>\$ 4,467,558</u>	<u>\$ 2,155,763</u>

Supplementary Information

City of Fruita, Colorado

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

CAPITAL PROJECTS FUND

For the year ended December 31, 2024

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,518,500	\$ 3,839,200	\$ 1,233,438	\$ (2,605,762)
Development impact fees	371,700	728,900	825,409	96,509
Investment income	-	-	192,975	192,975
Donations	90,000	90,000	119,089	29,089
Total revenues	<u>2,980,200</u>	<u>4,658,100</u>	<u>2,370,911</u>	<u>(2,287,189)</u>
EXPENDITURES				
Capital outlay				
Community development	547,500	833,200	373,264	459,936
Street improvements	9,268,870	11,085,175	1,948,045	9,137,130
Building improvements	90,000	90,000	89,718	282
Parks and recreation	350,000	3,132,375	2,716,877	415,498
Total expenditures	<u>10,256,370</u>	<u>15,140,750</u>	<u>5,127,904</u>	<u>10,012,846</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,276,170)	(10,482,650)	(2,756,993)	7,725,657
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>7,247,570</u>	<u>10,454,050</u>	<u>3,231,467</u>	<u>(7,222,583)</u>
NET CHANGE IN FUND BALANCE	(28,600)	(28,600)	474,474	503,074
Fund balance - Beginning	<u>329,229</u>	<u>329,229</u>	<u>3,049,477</u>	<u>2,720,248</u>
Fund balance - Ending	<u>\$ 300,629</u>	<u>\$ 300,629</u>	<u>\$ 3,523,951</u>	<u>\$ 3,223,322</u>

City of Fruita, Colorado

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

DEBT SERVICE FUND

For the year ended December 31, 2024

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 22,000	\$ 15,800	\$ 34,870	\$ 19,070
Total revenues	<u>22,000</u>	<u>15,800</u>	<u>34,870</u>	<u>19,070</u>
EXPENDITURES				
Debt service:				
Principal	400,000	400,000	400,000	-
Interest and fiscal charges	348,200	348,200	348,200	-
Total expenditures	<u>748,200</u>	<u>748,200</u>	<u>748,200</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(726,200)	(732,400)	(713,330)	19,070
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>726,200</u>	<u>726,200</u>	<u>726,200</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(6,200)	12,870	19,070
Fund balance - Beginning	<u>748,200</u>	<u>748,200</u>	<u>748,200</u>	<u>-</u>
Fund balance - Ending	<u>\$ 748,200</u>	<u>\$ 742,000</u>	<u>\$ 761,070</u>	<u>\$ -</u>

City of Fruita, Colorado
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2024

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Conservation Trust	Economic Development	Marketing & Promotion	Public Places	Fruita Housing Authority	
ASSETS						
Cash and cash equivalents	\$ 69,824	\$ 293,271	\$ 336,181	\$ 198,224	\$ 12,704	\$ 910,204
Taxes receivable	-	6,199	9,825	3,626	-	19,650
Interest receivable	-	-	-	-	1,706	1,706
Notes receivable	-	-	-	-	170,000	170,000
Total assets	<u>\$ 69,824</u>	<u>\$ 299,470</u>	<u>\$ 346,006</u>	<u>\$ 201,850</u>	<u>\$ 184,410</u>	<u>\$ 1,101,560</u>
LIABILITIES						
Accounts payable	-	-	8,004	-	-	8,004
Total liabilities	<u>-</u>	<u>-</u>	<u>8,004</u>	<u>-</u>	<u>-</u>	<u>8,004</u>
FUND BALANCES						
Nonspendable	-	-	-	-	171,706	171,706
Restricted						
Parks and open space	69,824	-	-	-	-	69,824
Economic development	-	299,470	-	-	-	299,470
Housing	-	-	-	-	12,704	12,704
Marketing and promotion	-	-	317,002	-	-	317,002
Public places	-	-	-	201,850	-	201,850
Assigned						
Subsequent year expenditures	-	-	21,000	-	-	21,000
Total fund balances	<u>69,824</u>	<u>299,470</u>	<u>338,002</u>	<u>201,850</u>	<u>184,410</u>	<u>1,093,556</u>
Total liabilities and fund balances	<u>\$ 69,824</u>	<u>\$ 299,470</u>	<u>\$ 346,006</u>	<u>\$ 201,850</u>	<u>\$ 184,410</u>	<u>\$ 1,101,560</u>

City of Fruita, Colorado
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2024

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Conservation Trust	Economic Development	Marketing & Promotion	Public Places	Fruita Housing Authority	
REVENUES						
Taxes						
Lodger's tax	\$ -	\$ 130,849	\$ 200,472	\$ 70,219	\$ -	\$ 401,540
Intergovernmental	167,396	-	-	-	1,265,773	1,433,169
Charges for services	-	-	2,728	-	-	2,728
Investment income	1,175	\$ -	458	-	1,706	3,339
Total revenues	<u>168,571</u>	<u>130,849</u>	<u>203,658</u>	<u>70,219</u>	<u>1,267,479</u>	<u>1,840,776</u>
EXPENDITURES						
Economic development	-	15,000	-	-	-	15,000
Housing	-	-	-	-	1,268,152	1,268,152
Marketing and promotion	-	-	229,679	-	-	229,679
Public places	-	-	-	7,959	-	7,959
Debt service:						
Principal	-	-	-	8,908	-	8,908
Interest	-	-	-	92	-	92
Capital outlay	-	-	-	16,572	-	16,572
Total expenditures	<u>-</u>	<u>15,000</u>	<u>229,679</u>	<u>33,531</u>	<u>1,268,152</u>	<u>1,546,362</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	168,571	115,849	(26,021)	36,688	(673)	294,414
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	12,000	-	2,379	14,379
Transfers (out)	(500,766)	(2,379)	-	-	-	(503,145)
Total other financing sources (uses)	<u>(500,766)</u>	<u>(2,379)</u>	<u>12,000</u>	<u>-</u>	<u>2,379</u>	<u>(488,766)</u>
NET CHANGE IN FUND BALANCES	(332,195)	113,470	(14,021)	36,688	1,706	(194,352)
Fund balances - Beginning	<u>402,019</u>	<u>186,000</u>	<u>352,023</u>	<u>165,162</u>	<u>182,704</u>	<u>1,287,908</u>
Fund balances - Ending	<u>\$ 69,824</u>	<u>\$ 299,470</u>	<u>\$ 338,002</u>	<u>\$ 201,850</u>	<u>\$ 184,410</u>	<u>\$ 1,093,556</u>

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CONSERVATION TRUST SPECIAL REVENUE FUND
For the year ended December 31, 2024

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 175,000	\$ 175,000	\$ 167,396	\$ (7,604)
Investment income	1,000	1,000	1,175	175
Total revenues	<u>176,000</u>	<u>176,000</u>	<u>168,571</u>	<u>(7,429)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	176,000	176,000	168,571	(7,429)
OTHER FINANCING USES				
Transfers (out)	<u>(100,000)</u>	<u>(508,675)</u>	<u>(500,766)</u>	<u>7,909</u>
NET CHANGE IN FUND BALANCE	76,000	(332,675)	(332,195)	480
Fund balance - Beginning	<u>308,080</u>	<u>308,080</u>	<u>402,019</u>	<u>93,939</u>
Fund balance - Ending	<u>\$ 384,080</u>	<u>\$ (24,595)</u>	<u>\$ 69,824</u>	<u>\$ 94,419</u>

City of Fruita, Colorado

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

ECONOMIC DEVELOPMENT FUND

For the year ended December 31, 2024

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Lodger's tax	\$ 114,000	\$ 114,000	\$ 130,849	\$ 16,849
Total revenues	<u>114,000</u>	<u>114,000</u>	<u>130,849</u>	<u>16,849</u>
EXPENDITURES				
Economic development assistance	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	99,000	99,000	115,849	16,849
OTHER FINANCING USES				
Transfers (out)	<u>(5,100)</u>	<u>(5,100)</u>	<u>(2,379)</u>	<u>2,721</u>
NET CHANGE IN FUND BALANCE	93,900	93,900	113,470	19,570
Fund balance - Beginning	<u>263,003</u>	<u>263,003</u>	<u>186,000</u>	<u>\$ (77,003)</u>
Fund balance - Ending	<u>\$ 356,903</u>	<u>\$ 356,903</u>	<u>\$ 299,470</u>	<u>\$ (57,433)</u>

City of Fruita, Colorado

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

MARKETING AND PROMOTION SPECIAL REVENUE FUND

For the year ended December 31, 2024

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Lodger's tax	\$ 171,000	\$ 171,000	\$ 200,472	\$ 29,472
Charges for services	-	-	2,728	2,728
Investment income	-	-	458	458
Total revenues	<u>171,000</u>	<u>171,000</u>	<u>203,658</u>	<u>32,658</u>
EXPENDITURES				
Marketing and promotion	<u>236,000</u>	<u>241,000</u>	<u>229,679</u>	<u>11,321</u>
Total expenditures	<u>236,000</u>	<u>241,000</u>	<u>229,679</u>	<u>11,321</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(65,000)	(70,000)	(26,021)	43,979
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(53,000)	(58,000)	(14,021)	43,979
Fund balance - Beginning	<u>330,630</u>	<u>330,630</u>	<u>352,023</u>	<u>21,393</u>
Fund balance - Ending	<u>\$ 277,630</u>	<u>\$ 272,630</u>	<u>\$ 338,002</u>	<u>\$ 65,372</u>

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
PUBLIC PLACES FUND
For the year ended December 31, 2024

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Lodger's tax	\$ 57,000	\$ 57,000	\$ 70,219	\$ 13,219
Total revenues	<u>57,000</u>	<u>57,000</u>	<u>70,219</u>	<u>13,219</u>
EXPENDITURES				
Public places	55,000	21,825	7,959	13,866
Debt service:				
Principal	-	-	8,908	(8,908)
Interest	-	-	92	(92)
Capital outlay	-	33,175	16,572	16,603
Total expenditures	<u>55,000</u>	<u>55,000</u>	<u>33,531</u>	<u>21,469</u>
NET CHANGE IN FUND BALANCE	2,000	2,000	36,688	34,688
Fund balance - Beginning	<u>79,815</u>	<u>79,815</u>	<u>165,162</u>	<u>85,347</u>
Fund balance - Ending	<u><u>\$ 81,815</u></u>	<u><u>\$ 81,815</u></u>	<u><u>\$ 201,850</u></u>	<u><u>\$ 120,035</u></u>

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
FRUITA HOUSING AUTHORITY FUND
For the year ended December 31, 2024

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 1,055,525	\$ 1,265,773	\$ 210,248
Charges for services	50,000	50,000	-	(50,000)
Investment income	-	-	1,706	1,706
Total revenues	<u>50,000</u>	<u>1,105,525</u>	<u>1,267,479</u>	<u>161,954</u>
EXPENDITURES				
Operating expenditures	55,100	55,100	2,379	52,721
Passthrough grant for housing assistance	-	1,055,525	1,265,773	(210,248)
Total expenditures	<u>55,100</u>	<u>1,110,625</u>	<u>1,268,152</u>	<u>(157,527)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,100)	(5,100)	(673)	4,427
OTHER FINANCING SOURCES				
Transfers in	<u>5,100</u>	<u>5,100</u>	<u>2,379</u>	<u>(2,721)</u>
NET CHANGE IN FUND BALANCE	-	-	1,706	1,706
Fund balance - Beginning	<u>-</u>	<u>-</u>	<u>182,704</u>	<u>182,704</u>
Fund balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 184,410</u>	<u>\$ 184,410</u>

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
SEWER FUND
For the year ended December 31, 2024

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 3,981,500	\$ 3,981,500	\$ 4,113,412	\$ 131,912
Other	2,000	2,000	47,762	45,762
Total operating revenues	3,983,500	3,983,500	4,161,174	177,674
OPERATING EXPENSES				
Personnel services	1,029,475	1,029,475	1,018,463	11,012
Purchased services	436,075	628,675	362,722	265,953
Supplies	482,125	438,525	385,639	52,886
Capital expenses	1,772,600	3,151,225	717,198	2,434,027
Total operating expenses	3,720,275	5,247,900	2,484,022	2,763,878
Operating income (loss) - Budget basis	263,225	(1,264,400)	1,677,152	2,941,552
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	760,000	1,376,000	307,626	(1,068,374)
Investment income	125,000	125,000	248,318	123,318
Interest and fiscal charges	(170,005)	(170,005)	(170,394)	(389)
Principal payments	(1,120,000)	(1,120,000)	(1,131,129)	11,129
Total non-operating revenues (expenses)	(405,005)	210,995	(745,579)	(934,316)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(141,780)	(1,053,405)	931,573	2,007,236
Transfers (out)	(165,000)	(165,000)	(165,000)	-
Capital contributions - Tap fees	500,000	500,000	553,000	53,000
CHANGE IN NET POSITION - BUDGET BASIS	\$ 193,220	\$ (718,405)	\$ 1,319,573	2,037,978
RECONCILIATION TO GAAP BASIS				
Depreciation			(1,395,413)	
Carrying value of capital assets disposed			(493)	
Change in compensated absences			1,441	
Accrued interest payable			13,774	
Developer contributions of capital assets			362,703	
Principal retirement			1,131,129	
Amortization on RTU assets			(9,205)	
Capital asset additions			717,198	
Amortization of premium on bonds			42,637	
Total GAAP Basis Adjustments			863,771	
CHANGE IN NET POSITION - GAAP BASIS			2,183,344	
Net position - Beginning (restated)			35,507,506	
Net position - Ending			\$ 37,690,850	

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
TRASH FUND
For the year ended December 31, 2024

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES				
Charges for services	\$ 1,175,000	\$ 1,175,000	\$ 1,220,828	\$ 45,828
Total operating revenues	<u>1,175,000</u>	<u>1,175,000</u>	<u>1,220,828</u>	<u>45,828</u>
OPERATING EXPENSES				
Purchased services	1,105,000	1,105,000	1,105,537	(537)
Total operating expenses	<u>1,105,000</u>	<u>1,105,000</u>	<u>1,105,537</u>	<u>(537)</u>
Operating income (loss) - Budget basis	70,000	70,000	115,291	45,291
NON-OPERATING REVENUES (EXPENSES)				
Investment income	-	-	519	519
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	70,000	70,000	115,810	45,810
Transfers (out)	<u>(70,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>
CHANGE IN NET POSITION - BUDGET BASIS	<u>\$ -</u>	<u>\$ -</u>	\$ 45,810	<u>\$ 45,810</u>
RECONCILIATION TO GAAP BASIS			<u>-</u>	
CHANGE IN NET POSITION - GAAP BASIS			45,810	
Net position - Beginning			<u>220,047</u>	
Net position - Ending			<u>\$ 265,857</u>	

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
DEVILS CANYON CENTER FUND
For the year ended December 31, 2024

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES				
Total operating revenues	-	-	-	-
OPERATING EXPENSES				
Total operating expenses	-	-	-	-
Operating income (loss) - Budget basis	-	-	-	-
NON-OPERATING REVENUES (EXPENSES)				
Investment income	-	-	3,213	3,213
CHANGE IN NET POSITION - BUDGET BASIS	<u>\$ -</u>	<u>\$ -</u>	\$ 3,213	<u>\$ 3,213</u>
RECONCILIATION TO GAAP BASIS				
Depreciation			<u>(43,936)</u>	
CHANGE IN NET POSITION - GAAP BASIS			\$ (40,723)	
Net position - Beginning			<u>992,457</u>	
Net position - Ending			<u>\$ 951,734</u>	

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
IRRIGATION WATER FUND
For the year ended December 31, 2024

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ 135,000	\$ 135,000	\$ 136,343	\$ 1,343
Other	-	-	17,659	17,659
Total operating revenues	135,000	135,000	154,002	19,002
OPERATING EXPENSES				
Personnel services	77,475	77,475	78,722	(1,247)
Purchased services	12,975	11,375	5,147	6,228
Supplies	20,475	22,075	17,803	4,272
Contingency	3,300	3,300	-	3,300
Capital outlay	12,200	12,200	10,608	1,592
Total operating expenses	126,425	126,425	112,280	14,145
Operating income (loss) - Budget basis	8,575	8,575	41,722	33,147
NON-OPERATING REVENUES (EXPENSES)				
Investment income	50	50	458	408
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	8,625	8,625	42,180	33,555
Transfers (out)	(10,125)	(10,125)	(10,125)	-
Capital contributions - Tap fees	1,500	1,500	2,250	750
CHANGE IN NET POSITION - BUDGET BASIS	\$ -	\$ -	\$ 34,305	\$ 34,305
RECONCILIATION TO GAAP BASIS				
Capitalized assets			10,608	
Carrying value of capital assets disposed			(2,466)	
Change in accrued compensated absences			(1,100)	
Depreciation			(8,014)	
Total GAAP Basis Adjustments			(972)	
CHANGE IN NET POSITION - GAAP BASIS			33,333	
Net position - Beginning (restated)			385,018	
Net position - Ending			\$ 418,351	

City of Fruita, Colorado
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET TO ACTUAL
FLEET MAINTENANCE INTERNAL SERVICE FUND
For the year ended December 31, 2024

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES				
Charges for services	\$ 448,275	\$ 448,275	\$ 448,275	\$ -
Total operating revenues	<u>448,275</u>	<u>448,275</u>	<u>448,275</u>	<u>-</u>
OPERATING EXPENSES				
Personnel services	253,025	253,025	223,405	29,620
Purchased services	64,700	70,650	70,773	(123)
Supplies	108,850	102,900	101,498	1,402
Contingency	5,000	5,000	-	5,000
Capital outlay	16,700	16,700	13,259	3,441
Total operating expenses	<u>448,275</u>	<u>448,275</u>	<u>408,935</u>	<u>39,340</u>
Operating income (loss) - Budget basis	-	-	39,340	39,340
NON-OPERATING REVENUES (EXPENSES)				
Proceeds from sale of equipment	-	-	218	218
Interest and fiscal charges	-	-	(77)	(77)
SBITA principal payments	-	-	(1,989)	(1,989)
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(1,848)</u>	<u>(1,848)</u>
CHANGE IN NET POSITION - BUDGET BASIS	<u>\$ -</u>	<u>\$ -</u>	\$ 37,492	<u>\$ 37,492</u>
RECONCILIATION TO GAAP BASIS				
Capitalized assets			13,259	
Change in compensated absences			(2,319)	
Depreciation and amortization			(4,614)	
SBITA principal payment			1,989	
Accrued interest payable			(35)	
Total GAAP Basis Adjustments			<u>8,280</u>	
CHANGE IN NET POSITION - GAAP BASIS			45,772	
Net position - Beginning (restated)			<u>34,530</u>	
Net position - Ending			<u>\$ 80,302</u>	

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/2024

This Information From The Records Of: City of Fruita	Prepared By: Christa Yamashita, cyamashita@fruita.org
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 3,129,567.10
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 559,462.85
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 69,659.66
2. General fund appropriations	\$ 1,557,987.12	b. Snow and ice removal	\$ 16,804.67
3. Other local imposts (from page 2)	\$ 1,521,894.09	c. Other	\$ 334,957.19
4. Miscellaneous local receipts (from page 2)	\$ 54,260.00	d. Total (a. through c.)	\$ 421,421.52
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 223,138.55
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 581,654.55
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 4,915,244.57
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 3,134,141.21	b. Redemption	
3. Private Contributions	\$ 1,200,372.40	c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 580,730.96	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 4,915,244.57	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)	
			\$ 4,915,244.57

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
	\$ -	\$ 4,915,244.57	\$ 4,915,244.57	\$ -	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
12/2024

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	\$ 775,341.95	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 500,467.02	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	\$ 4,260.00
5. Specific Ownership &/or Other	\$ 246,085.12	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 1,521,894.09	h. Other	\$ 50,000.00
c. Total (a. + b.)	\$ 1,521,894.09	i. Total (a. through h.)	\$ 54,260.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

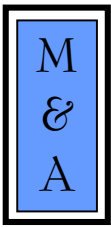
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 531,192.43	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 49,538.53	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 49,538.53	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 580,730.96	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		\$ 614,625.19	\$ 614,625.19
b. Engineering Costs		\$ 283,645.48	\$ 283,645.48
c. Construction:			
(1). New Facilities		\$ 894,247.05	\$ 894,247.05
(2). Capacity Improvements			\$ -
(3). System Preservation		\$ 1,294,312.03	\$ 1,294,312.03
(4). System Enhancement And Operation		\$ 42,737.35	\$ 42,737.35
(5). Total Construction (1)+(2)+(3)+(4)	\$ -	\$ 2,231,296.43	\$ 2,231,296.43
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ -	\$ 3,129,567.10	\$ 3,129,567.10
<i>(Carry forward to page 1)</i>			

Notes and Comments:

Single Audit Section



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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MAIN OFFICE: (970) 845-8800

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

**To the Members of City Council
City of Fruita, Colorado**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fruita, Colorado (the "City") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 9, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Member: American Institute of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT
To the Members of City Council
City of Fruita, Colorado**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
Avon, Colorado
September 9, 2025**



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

WEB SITE: www.McMAHANCPA.COM

MAIN OFFICE: (970) 845-8800

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Members of City Council
City of Fruita, Colorado**

Opinion on Each Major Federal Program

We have audited the compliance of the City of Fruita, Colorado (the "City") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
To the Members of City Council
City of Fruita, Colorado

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

INDEPENDENT AUDITOR'S REPORT
To the Members of City Council
City of Fruita, Colorado

The purpose of this report in internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
September 9, 2025

City of Fruita, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

Part I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2, U.S. Code of Federal Regulations, Part 200	No
Major programs:	
Coronavirus State and Local Fiscal Recovery Funds	ALN 21.027
Dollar threshold used to identify Type A from Type B programs:	\$750,000
Identified as low-risk auditee	Yes

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by <i>Government Auditing Standards</i>	No
Auditor-assigned reference number	Not applicable

Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

City of Fruita, Colorado
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

There were no findings for the year ended December 31, 2023.

City of Fruita, Colorado

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2024**

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Expenditures</u>
<u>Department of the Treasury</u>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 859,813
Total Federal Financial Assistance			<u><u>\$ 859,813</u></u>

The accompanying notes are an integral part of this schedule.

City of Fruita, Colorado
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of federal awards (Schedule) includes the federal award activity of the City of Fruita, Colorado (City) under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Fruita, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.