

CITY OF MONTE VISTA, COLORADO

FINANCIAL STATEMENTS

December 31, 2024



Wall,
Smith,
Bateman Inc.
Certified Public Accountants

CITY OF MONTE VISTA, COLORADO
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INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Honorable Mayor and City Council
City of Monte Vista, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monte Vista, 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 accompanying 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 cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information.

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

during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 15, 2025

CITY OF MONTE VISTA, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024

Management of the City of Monte Vista offers readers this narrative overview and analysis of the financial activities for the City of Monte Vista as of December 31, 2024.

In compliance with Governmental Accounting Standards Board Number 34, also known as GASB 34, we present this report titled Management's Discussion and Analysis (MD&A). This discussion and analysis of the City's financial performance provides an overview of activities during the prior two years ending December 31, 2023, and December 31, 2024.

We encourage readers to consider this information in addition to the City's Audit.

FINANCIAL HIGHLIGHTS

As of December 31, 2024, the City of Monte Vista's government-wide net position totaled \$32,367,426. Of this amount, the net position related to governmental activities totaled \$23,805,799 and the net position for business-type activities totaled \$8,561,627.

- ❖ Total net position for the City increased by \$4,320,033 compared to 2023. Of this amount, net position for governmental activities increased by \$3,153,943 and net position for business type activities increased by \$1,166,090. Governmental activities saw an increase of \$1,951,584 in assets, as well as a decrease in liabilities of \$1,402,714 as result of decreased debt service. Business-type activities saw an increase in assets of \$1,088,114 as well as a decrease in liabilities of \$77,976 compared to 2023.
- ❖ The net position for governmental activities includes \$17,042,209 of the net investment in capital assets, \$2,598,156 is restricted and \$4,165,434 is unrestricted. In business-type activities, \$5,060,323 is invested in capital assets, \$42,620 is restricted and \$3,458,684 is unrestricted.
- ❖ The City of Monte Vista's general sources of governmental revenue are made up of taxes, licenses and permits, fines and forfeits totaling \$5,160,678. Program revenues, in the form of charges for services, grants and contributions accounted for \$3,674,590 of total revenue.
- ❖ Total governmental revenues of \$8,835,268 increased by \$1,494,706 compared to 2023. This is mostly related to an increase in Property Taxes and Program Revenues from grants and contributions for general government, public works, and culture and recreation
- ❖ The Statement of Activities indicates that the City had \$5,879,325 in expenses related to governmental activities during 2024. This is an increase in expenditures of \$48,542 compared to the prior year. The increase in expenditures is attributed mainly to increased costs for General Government, Public Safety, Public Works, and Culture and Recreation.
- ❖ Expenses for business-type activities totaled \$1,994,098, which is an increase in expenditures of \$120,597 compared to 2023.
- ❖ Total government-wide revenue of \$12,193,456 was adequate to provide for the above expenses resulting in a Net Change in Position of a positive \$4,320,033.
- ❖ At the end of 2024, the City of Monte Vista's governmental funds reported a combined ending fund balance of \$6,643,800. This resulted in an increase in overall fund balance of \$489,664 compared to 2023. This equates to a 7% increase in fund balance year-over-year. Of this total amount, \$37,410 is nonspendable, \$2,598,156 is restricted, \$22,173 is committed, \$140,677 is assigned, and \$3,845,384 is unassigned.

CITY OF MONTE VISTA, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. We present two years of information, as recommended by GASB, so that the reader can review trends in the City's financial position and activities. The City of Monte Vista's basic financial statements are comprised of three components: (1) Government wide financial statements, (2) Fund financial statements, and (3) Notes to the basic financial statements. This report also contains other required supplementary information, supplementary information, and other information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers a broad overview of the City of Monte Vista's financial activities in a manner similar to a private sectors business.

The *statement of net position* presents information on all of the City of Monte Vista's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference is 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 City of Monte Vista's net position changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future calendar periods (e.g., uncollected property taxes, sales tax, and earned but unused employees' vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Monte Vista that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and 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 of Monte Vista include general government, public safety, public works, culture and recreation, urban/economic development, Kids Connection, and interest on long-term debt. The business-type activities of the City of Monte Vista include the Water and Sewer Funds.

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 of Monte Vista, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide 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 is useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial

CITY OF MONTE VISTA, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024

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

The City of Monte Vista maintains four separate major governmental funds. Individual fund information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the One Cent Sales Tax Fund, the Grants Fund, and the Capital Improvements Fund. Individual fund information for the non-major funds is presented as supplemental information after the note sections of the report. Non-major funds include the Conservation Trust Fund, Urban Renewal Authority Fund, Kids Connection Fund, and the Capital Projects Fund.

The City of Monte Vista adopts an annual budget for each of the individual governmental funds. A budgetary comparison schedule for each major fund is included in the required supplementary information to demonstrate compliance with the adopted budget.

Proprietary Funds. When the City charges customers for services it provides, these services are generally reported in proprietary funds. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City of Monte Vista maintains one type of proprietary fund called enterprise funds. Enterprise funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The City of Monte Vista uses enterprise funds to account for their water and sewer operations and are known as the Water Fund and the Sewer Fund.

Notes to the Financial Statements

The notes to the financial statements provide additional information essential to a full understanding of the data in the government-wide and fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents other supplementary information concerning the City's non-major funds. The combining statements of the non-major governmental funds are presented after the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

The focus of this financial analysis is on comparisons of the activities for the current year, 2024, with those of the prior year, 2023, and comparison of balances at year-end, December 31st, for the same two years.

As noted earlier, the net position may serve over time as a useful indicator of the government's financial position. In the case of the City of Monte Vista, assets exceeded liabilities by \$32,367,426 as of December 31, 2024.

CITY OF MONTE VISTA, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The City's net position can be separated into three primary categories: 1) Net investment in capital assets 2) Restricted net position and 3) Unrestricted net position.

The largest portion of the City's net position reflects its investment of \$22,102,532 in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure); less any related outstanding debt used to acquire those assets. The City of Monte Vista uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 provides a summary of the City's net position at December 31 for the years 2023 and 2024. Additional information is presented in the Statement of Net Position.

	Governmental		Business-Type			
	Activities		Activities		Total	
	2023	2024	2023	2024	2023	2024
Current and Other Assets	7,732,679	7,615,309	2,433,485	3,334,946	10,166,164	10,950,255
Noncurrent and Capital Assets	16,274,919	18,343,873	7,679,489	7,866,142	23,954,408	26,210,015
Total Assets	24,007,598	25,959,182	10,112,974	11,201,088	34,120,572	37,160,270
Deferred Outflows						
Related to Defined Benefit Pension Plan	491,487	408,753			491,487	408,753
Current Liabilities	1,779,190	939,199	234,560	321,877	2,013,750	1,261,076
Noncurrent Liabilities	1,532,069	969,346	2,482,877	2,317,584	4,014,946	3,286,930
Total Liabilities	3,311,259	1,908,545	2,717,437	2,639,461	6,028,696	4,548,006
Deferred Inflows of Revenue	535,970	653,591			535,970	653,591
Net Position:						
Net Investment in Capital Assets	14,179,555	17,042,209	4,694,820	5,060,323	18,874,375	22,102,532
Restricted for:					-	-
Emergencies	180,000	185,000			180,000	185,000
Capital Projects	1,381,881	1,633,358			1,381,881	1,633,358
Debt Service	84,163	77,775			84,163	77,775
Parks	62,227	60,867			62,227	60,867
Public Safety	76,053	69,165			76,053	69,165
Public Works	718,796	269,473			718,796	269,473
Ski Hi Park	301,530	302,518			301,530	302,518
Water Acquisition			42,608	42,620	42,608	42,620
Unrestricted	3,667,651	4,165,434	2,658,109	3,458,684	6,325,760	7,624,118
Total Net Position	20,651,856	23,805,799	7,395,537	8,561,627	28,047,393	32,367,426

CITY OF MONTE VISTA, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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A portion of the City's net position in the amount of \$2,640,776 represents resources that are subject to external restrictions. The remaining \$7,624,118 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. During the fiscal year ending December 31, 2024, the City of Monte Vista's net position increased by \$4,320,033 as a main result of the increased Net Investment in Capital Assets due to the completion of the Airport Taxiway project, and the completion of the paving project at Dennis and Batterson Streets.

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

Analysis of Changes in Net Position

The City's combined net position for the governmental and business-type activities increased \$4,320,033 from 2023 to 2024. Of this total amount, governmental net position increased by \$3,153,943 and the business-type net position increased \$1,166,090. The City saw a significant increase in water and sewer charges for services due to an increase in the base rate, as well as increased use of grant funding for the wastewater treatment system design and planning. The City also saw an increase in Sales Tax Revenue in the General Fund, Capital Fund, and Special Revenue Sales Tax Fund as a result of the additional One Cent Tax and increased spending within City limits. Increased spending can be attributed to the South Dakota v. Wayfair Supreme Court Ruling where the sales tax paid on internet sales is returned to the jurisdiction, as well as increased spending in local businesses.

In 2019, the voters of Monte Vista approved a one-cent sales tax increase on all goods sold within City limits. With the approval of this tax, the City began collecting the tax on January 1, 2020. The sales tax is accounted for in a Special Revenue Fund titled the One Cent Sales Tax Fund. The additional sales tax is split among three departments. The three departments are Ski Hi for maintenance and operation receiving 40%, Public Works for street and sidewalk improvements receiving 35%, and Police for the addition of an officer and equipment receiving 25% of the tax annually.

As part of the American Rescue Plan of 2021, the city received funds to be used over the next 3 years in support of the public health response and lay the foundation for a strong and equitable economic recovery. In 2024, the City receipted into revenue the last of those funds, thus increasing the net position and fund balance.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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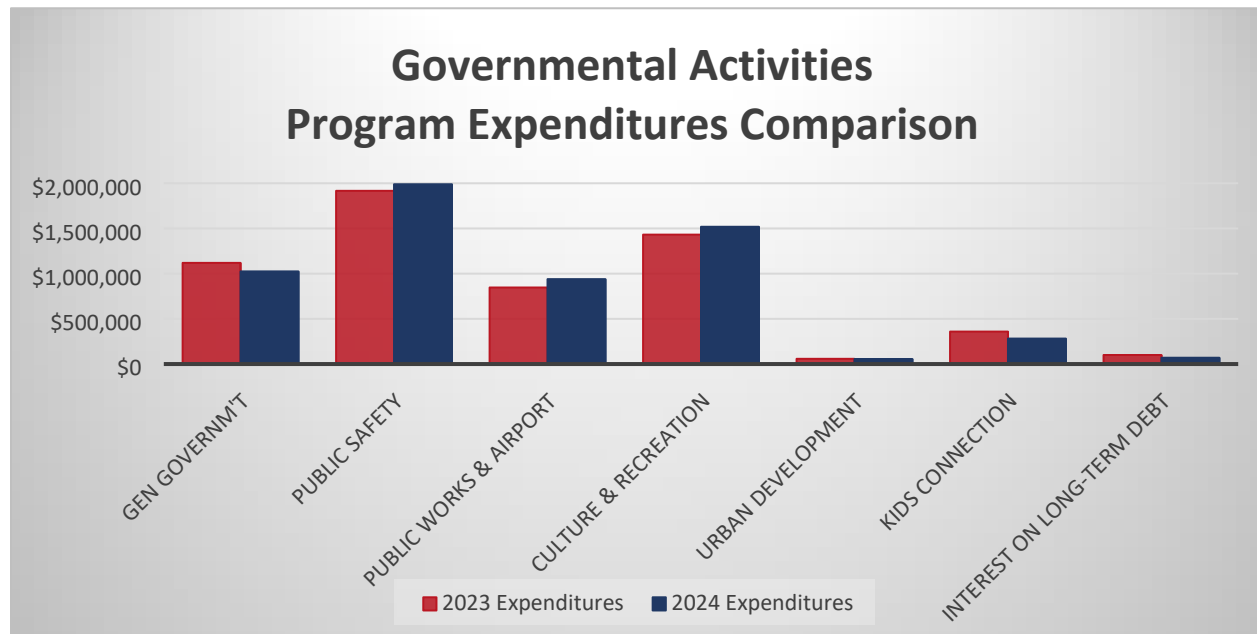
Table 2 provides a summary of the changes in net position for the years 2023 and 2024. Additional information is presented in the Statement of Activities.

	Governmental		Business-Type			
	Activities		Activities		Total	
	2023	2024	2023	2024	2023	2024
<u>Revenue:</u>						
Program Revenue:						
Charges for Services	452,619	467,085	2,660,077	2,939,915	3,112,696	3,407,000
Operating Grants and Contributions	586,477	1,026,077			586,477	1,026,077
Capital Grants and Contributions	1,369,945	2,181,428	367,747	306,598	1,737,692	2,488,026
Sub Total Program Revenue	2,409,041	3,674,590	3,027,824	3,246,513	5,436,865	6,921,103
General Revenue:						
Taxes						
General Property Taxes-net	439,553	605,196			439,553	605,196
Sales and Use Tax	3,931,811	3,941,376			3,931,811	3,941,376
Franchise Taxes	255,012	191,985			255,012	191,985
Other Taxes	226,500	247,365			226,500	247,365
Investment Income	43,360	46,733	29,902	36,197	73,262	82,930
Miscellaneous	188,182	128,023	84,975	75,478	273,157	203,501
(Loss)/Gain on Capital Assets Disposal	(152,897)				(152,897)	-
Sub Total General Revenue:	4,931,521	5,160,678	114,877	111,675	5,046,398	5,272,353
Total Revenue:	7,340,562	8,835,268	3,142,701	3,358,188	10,483,263	12,193,456
<u>Expenses:</u>						
General Government	1,119,200	1,024,880			1,119,200	1,024,880
Public Safety	1,916,301	1,989,096			1,916,301	1,989,096
Public Works and Airport	846,758	939,400			846,758	939,400
Culture and Recreation	1,431,746	1,518,701			1,431,746	1,518,701
Urban Development	57,743	55,792			57,743	55,792
Kids Connection	358,974	281,668			358,974	281,668
Interest on Long Term Debt	100,061	69,788			100,061	69,788
Water			852,445	938,169	852,445	938,169
Sewer			1,021,056	1,055,929	1,021,056	1,055,929
Total Expenses:	5,830,783	5,879,325	1,873,501	1,994,098	7,704,284	7,873,423
Increase (Decrease) in Net Position (Before Transfers)	1,509,779	2,955,943	1,269,200	1,364,090	2,778,979	4,320,033
<u>Transfers:</u>						
Transfers In (Out)	198,000	198,000	(198,000)	(198,000)	-	-
Change in Net Position	1,707,779	3,153,943	1,071,200	1,166,090	2,778,979	4,320,033
Net Assets - Beginning of Year	18,944,077	20,651,856	6,324,337	7,395,537	25,268,414	28,047,393
Net Assets - End of Year	20,651,856	23,805,799	7,395,537	8,561,627	28,047,393	32,367,426

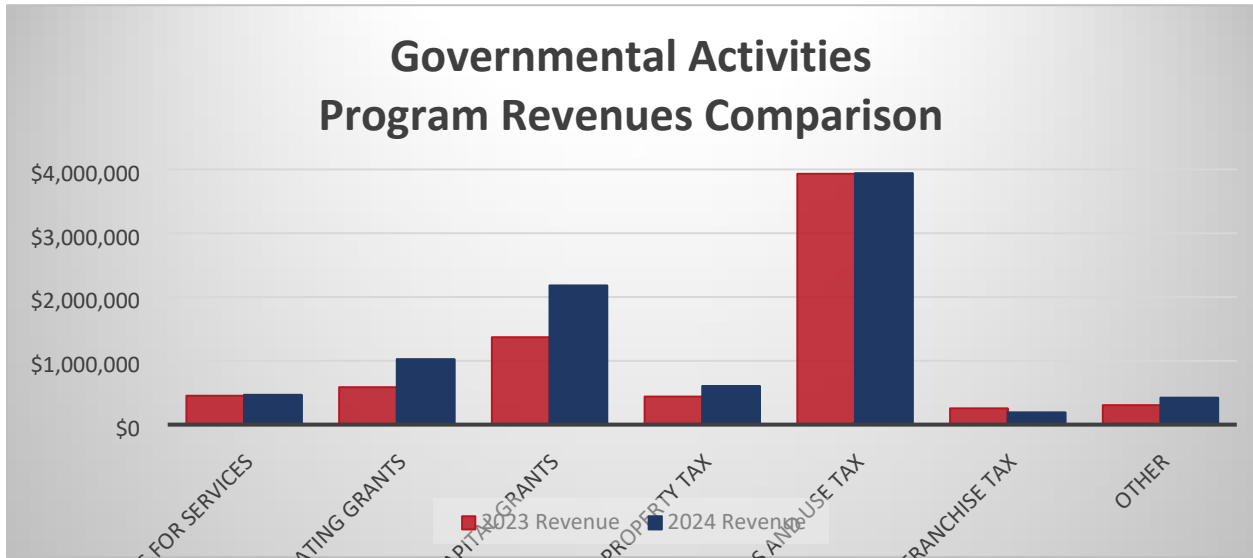
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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities

The City's governmental activities have been accounted for in seven departmental categories, which are General Government, Public Safety, Public Works and Airport, Culture and Recreation, Urban/Economic Development, Kids Connection, and Interest on Long-Term Debt. Governmental activity expenses totaled \$5,879,325, which is an increase in expenditures from 2023 of \$48,542. Major expenses included in the governmental activities were \$1,024,880 for general government, \$1,989,096 for public safety and \$1,518,701 for culture and recreation. Expenditures in public works totaled \$939,400, and Kids Connection totaled \$281,668. Other governmental expenditures included \$55,792 for urban development, and \$69,788 for interest on long-term debt. City funding for governmental activities was derived from \$3,674,590 in program revenue. The largest source of revenue is shown in sales and use taxes. General revenues totaled \$5,160,678. Governmental revenue increased by \$1,494,706 compared to 2023, related to an increase in operating and capital grant revenue.

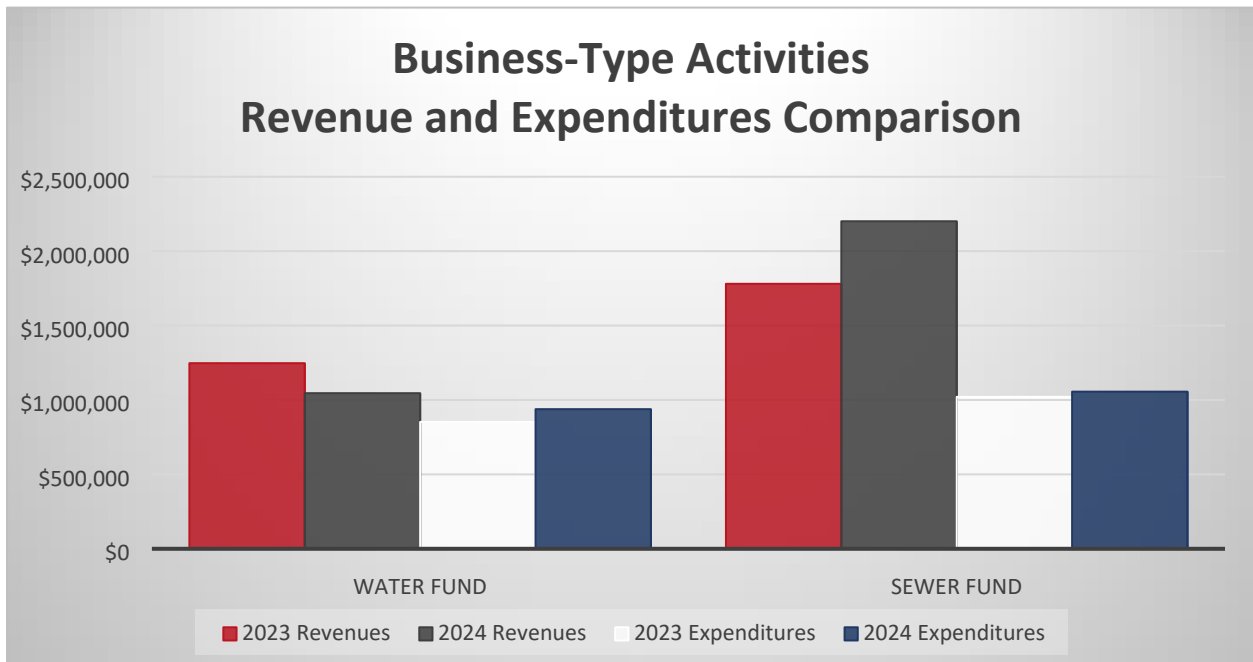


CITY OF MONTE VISTA, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Business-Type Activities

As mentioned earlier, business-type activities are funded in large part through the assignment of user fees imposed on external parties in exchange for services. Business-type activities net position at the end of 2024 increased \$1,166,090. Business-type activity expenditures totaled \$1,994,098 in 2024, which is an increase in expenditures compared to 2023 of \$120,597. Funding for business-type activities was derived from revenues totaling \$3,246,513, which is an increase of \$218,689 compared to 2023.



CITY OF MONTE VISTA, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The City of Monte Vista uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal and state requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City of Monte Vista include the General Fund, One Cent Sales Tax Fund, Capital Projects Fund, Capital Improvements Fund, and other non-major funds. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,643,800 which is an increase of \$489,664 from the prior year ending fund balances. The City's fund balances are classified based on the extent to which the City is bound to honor constraints for the specific purpose on which amounts in the fund can be spent. In accordance with GASB Statement No. 54, ***Fund Balance Reporting and Governmental Fund Type Definitions*** the fund balances for the City were classified in the following categories:

Nonspendable Fund Balance – are amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to remain intact. As of December 31, 2024, the City's governmental funds reported a nonspendable fund balance of \$37,410. This fund balance is due to prepaid capital improvements.

Restricted Fund Balance – are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. As of December 31, 2024, the City's governmental funds reported a restricted fund balance of \$2,598,156. The majority of this fund balance is restricted for capital improvements and the One Cent Sales Tax Fund.

Committed Fund Balance – are amounts that can only be used for specific purposes as a result of constraints imposed by the City Council. Committed amounts cannot be used for any other purpose unless the Council removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation. The City's governmental funds reported a committed fund balance of \$22,173 as of December 31, 2024.

Assigned Fund Balance – are amounts a government intend to use for a specific purpose; intent can be expressed by the City Council or by an official or body to which the governing body delegates the authority. The City's governmental funds reported an assigned fund balance of \$140,677 as of December 31, 2024, for the purpose of Kids Connection.

Unassigned Fund Balance – are amounts that are available for any purpose; these amounts are reported in the General Fund or for negative fund balance. The City reported an unassigned fund balance of \$3,845,384 as of December 31, 2024 for all Governmental Funds.

Revenue – Revenue in all governmental funds totaled \$8,835,268 in 2024. This is an increase of \$1,341,809 compared to 2023. Of the total revenue received in 2024, \$4,807,162 was generated by tax revenue, Intergovernmental Revenue through the General Fund, Capital Projects Fund and Other Governmental

CITY OF MONTE VISTA, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024

Funds of \$2,405,026, and the other large portion coming from Contributions and Donations through the General Fund, the One Cent Fund, and Other Governmental Funds \$990,999.

The General Fund is the primary operating governmental fund of the City. At the end of 2024, the fund balance for the General Fund was \$4,067,794, which is an increase of \$701,151 compared to the end of 2023, again the increase is partially due to the receipt of economic recovery funds from the federal government. As of year-end, \$3,845,384 of the fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted under the assigned fund balance rules listed above.

The other Governmental Fund balances for 2024 totaled \$2,576,006. This includes the One Cent Sales Tax Fund with a balance of \$641,156, Capital Improvements Fund with a balance of \$1,143,238, Grant Funds with a balance of 41,827 and other Governmental Funds with a total balance of \$749,785. Funds included in the Other Governmental Funds include the Conservation Trust, Urban Renewal, Capital Projects Fund, and Kids Connection.

Expenditures – The governmental funds expenditures increased by \$802,311 from 2023. Total expenditures in 2024 were \$8,543,604. A combination of factors led to the increase in expenditures from 2023 to 2024, which included increased operational costs, program costs, and capital outlay purchases.

Proprietary Funds - The City's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. At December 31, 2024, the net position for the Water Fund was \$2,619,704; the net position of the Sewer Fund was \$5,941,923 for a combined total of \$8,561,627. This was an increase in fund balances from 2023 of \$1,166,090. At the end of the fiscal year, the unrestricted net position for the Water and Sewer Funds totaled \$3,458,684, net investment in capital assets totaled \$5,060,323 and the total for restricted net position was \$42,620, which is restricted to the acquisition of water rights.

General Fund Budgetary Highlights

The City of Monte Vista generally adopted a supplemental appropriation in order to allow for previously unforeseen events. Every attempt is made to relate the budget to both the short and long term goals of the City Council.

For 2024, the original adopted General Fund Budget had revenue of \$4,932,337 with a mid-year and year-end supplemental budget amendment increasing the revenue budget by \$476,614, which brought the final revenue budget to \$5,408,951. For expenditures, the original adopted General Fund Budget was \$5,000,037, after the supplemental budget amendments, the expenditures budget increased by \$191,887 which brought total budgeted expenditures to \$5,191,924. Neither revenue nor expenditures reflects resources that were transferred in or out of the General Fund. Actual expenditures in the General Fund totaled \$4,898,418 not including transfers out. The supplemental budget amendments were created to reflect transactions associated with the police department, capital outlay for streets, parks improvements, and building improvements.

Capital Assets

The City's capital assets for its governmental and business-type activities as of December 31, 2024 totaled \$25,874,015 (net of accumulated depreciation). This is an increase of \$2,276,607 in capital assets mainly

CITY OF MONTE VISTA, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024

due to the completion of the airport taxiway project, improvements to buildings and other improvements, the purchase of equipment and vehicles, and the Dennis, Batterson & 4th Street project. Capital assets include land, water rights, buildings and improvements, water and sewer treatment plants, transmission and distribution, equipment, vehicles and right-to-use leased vehicles.

Major Capital Asset events during 2024 include the following:

- ❖ **Governmental Activities**
 - Buildings (Ski Hi Complex and City Hall) - \$148,893
 - Improvements - (Parks) \$81,689
 - Equipment and Vehicles (Street Sweeper, Police Department & Public Works) - \$644,242
 - Infrastructure (Airport Taxiway and Dennis, Batterson, & 4th Streets) - \$1,761,182
- ❖ **Proprietary Funds**
 - Construction in Progress (WWTP Design) - \$478,710
 - Infrastructure (Jackson Pump House & Sherman Well) - \$42,006
 - Equipment (Terra Del Sol Pump, W&S Plant Breaker, VFD) – \$38,001

Table 3 provides a summary of the City's capital assets (net of accumulated depreciation). Additional information on the City of Monte Vista's capital assets can be found in Note 4 of the Basic Financial Statements.

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2024	2023	2024	2023	2024
Land	\$ 785,096	\$ 785,096	\$ 22,000	\$ 22,000	\$ 807,096	\$ 807,096
Construction in Progress	58,441	484,725	349,995	828,705	408,436	1,313,430
Water Rights			948,120	948,120	948,120	948,120
Buildings & Improvements	10,945,034	10,832,440	88,941	84,349	11,033,975	10,916,789
Infrastructure	1,450,624	3,080,392			1,450,624	3,080,392
Improvements-Other	1,790,006	1,570,927			1,790,006	1,570,927
W/S Treatment Plant			372,525	359,401	372,525	359,401
Transmission & Distrib.			5,263,966	5,041,369	5,263,966	5,041,369
Equipment & Vehicles	1,059,360	1,460,575	169,261	172,713	1,228,621	1,633,288
Right-to-Use Lease Vehicles	186,358	129,718	107,681	73,485	294,039	203,203
	\$ 16,274,919	\$ 18,343,873	\$ 7,322,489	\$ 7,530,142	\$ 23,597,408	\$ 25,874,015

Debt Administration

At year-end, the City of Monte Vista's long-term liabilities totaled \$3,930,880. Of this amount, \$1,419,884 relates to governmental activities and \$2,510,996 relates to business-type activities.

Bonds payable include the Series 2018 Sales Tax Revenue refunding and Improvement Bonds payable to Branch Banking and Trust Company with an outstanding debt of \$982,723. The purpose of the original Series 2008 bonds was to provide paving and resurfacing of streets, provide curb and gutter and surface

CITY OF MONTE VISTA, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024

drainage, sidewalk improvements and such other related improvements. These bonds were refunded in 2018 and are scheduled to be paid in full in 2028.

Outstanding notes payable include a note with the Colorado Water Resource and Power Development Authority to fund water chlorination system improvements in the amount of \$202,609, a note with the Colorado Water Conservation Board to purchase water rights with an advanced payment of \$1,434,897 and a note for Sewage Treatment Project with Colorado Water Resource and Power Development Authority in the amount of \$733,192.

The City has entered into finance purchases with San Luis Valley Federal Bank for repairs and maintenance of the building and to purchase equipment with a current balance at year-end 2024 for the governmental and proprietary funds of \$205,718 and \$14,586, respectively.

The City entered into a master lease agreement with Enterprise Fleet Management for vehicles used by the public works department and the police department, with a current balance at year-end 2024 for the governmental and proprietary funds of \$113,223 and \$84,536, respectively.

The City of Monte Vista's total long-term liabilities decreased by \$902,071 during 2024. More detailed information about the City's long-term liabilities is presented in Note 6 to the financial statements.

Economic Factors and Next Year's Budgets

The City's 2025 Budget includes important features that will maintain current operating status of service provided, purchase new and necessary capital assets in several of the funds, and make important improvements to the City's infrastructure.

In 2025, the City of Monte Vista will continue to provide the following services to the community:

- Parks Development & Maintenance
- Police & Public Safety Services
- Water Services
- Waste Water Treatment
- Sewer Services
- Recreation Programming
- Kids Connection Youth Programing
- Business Licensing
- Municipal Court
- Municipal Airport Oversight & Management
- Event & Conference Center Facility

Property values remain fairly constant with marginal increases anticipated in 2025. Sales and property tax are the leading revenue sources for the General Fund and it is anticipated that City Sales Tax revenues will continue to reflect slight growth into 2025. Due to the South Dakota vs. Wayfair Supreme Court ruling, the City of Monte Vista continues to benefit from the addition of sales tax revenue being collected through online vendors. The San Luis Valley's agriculture industry gives us optimism that the City of Monte Vista's economy will hold trend and continue to grow at a steady and stable rate.

CITY OF MONTE VISTA, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024

Labor continues to increase as we strive to remain a competitive employer. Employee health care costs continue to erode the City's operational capability; the City experienced an 8% increase in the budget for 2025. The Monte Vista Police Department participates in the FPPA pension plan with a budgeted employer match on base earnings of 10.5% for 2025.

In the coming years, the City will be faced with the task of building a new mechanical treatment plant for their waste water system and treatment. Current project estimates reflect a total cost of \$30 million. Financing for this will take place through various avenues to include rate increases for services provided, debt-service, grants, and matching funds. The City will continue taking necessary steps in 2025 to begin addressing the monetary concerns regarding this project. The City has contracted with Element Engineering to assist with the implementation of the Master Plan and Rate Study associated with this project.

Long-term sustainability of the San Luis Valley's agriculture industry remains a concern due to the ongoing water issues and groundwater regulations. The City continues to keep an eye on the effects of this and what it will have on the local economy. The completion of the Ski Hi Complex project, renamed Outcalt Event and Conference Center at SLV Ski Hi Complex, has increased opportunities for added business and new developments for the City. The City remains hopeful that new development and business, along with tourism, will continue to boost sales tax revenues within the City. Currently, revenue reports of 2025 indicate we are slightly under budgetary track in regard to sales tax revenues.

The City continues to take a conservative approach in their budgeting and operational fiscal cycles with careful monitoring over revenues and expenditures on a monthly basis. By exercising mid-year amendment practices to the budget, we are able to better prepare and adjust for any outside factors that could potentially affect revenues and expenditures.

Requests for Information

This financial report is designed to provide you with a general overview of the City of Monte Vista's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

City of Monte Vista
Gigi Dennis-Lounsbury, City Manager
Judy Phillips, Finance Director
95 W. First Ave. Monte Vista, Colorado 81144
719-852-2692

CITY OF MONTE VISTA, COLORADO

BASIC FINANCIAL STATEMENTS

CITY OF MONTE VISTA, COLORADO
STATEMENT OF NET POSITION
December 31, 2024

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	TOTAL
ASSETS			
Cash and investments	\$ 5,574,906	\$ 2,889,830	\$ 8,464,736
Restricted cash and investments	263,824	42,620	306,444
Property taxes receivable	491,395	-	491,395
Accounts receivable (Net allowance of \$87,659 and \$9,117)	436,677	168,344	605,021
Due from other governments	811,097	92,110	903,207
Inventory	-	142,042	142,042
Prepaid expense	37,410	-	37,410
Prepaid water storage, net of accumulated amortization	-	336,000	336,000
Capital assets, not being depreciated	1,269,821	1,798,825	3,068,646
Capital assets, net of accumulated depreciation/amortization	17,074,052	5,731,317	22,805,369
TOTAL ASSETS	25,959,182	11,201,088	37,160,270
DEFERRED OUTFLOWS OF RESOURCES			
Pension	408,753	-	408,753
LIABILITIES			
Accounts payable	152,320	85,848	238,168
Accrued liabilities	139,827	23,453	163,280
Accrued interest	8,547	19,164	27,711
Unearned revenue - grants	187,967	-	187,967
Long-term liabilities			
Due within one year	450,538	193,412	643,950
Due in more than one year	969,346	2,317,584	3,286,930
Net pension liability	-	-	-
TOTAL LIABILITIES	1,908,545	2,639,461	4,548,006
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property tax	491,395	-	491,395
Pension	162,196	-	162,196
TOTAL DEFERRED INFLOWS OF RESOURCES	653,591	-	653,591
NET POSITION			
Net investment in capital assets	17,042,209	5,060,323	22,102,532
Restricted for emergencies	185,000	-	185,000
Restricted for parks	60,867	-	60,867
Restricted for public safety	69,165	-	69,165
Restricted for public works	269,473	-	269,473
Restricted for capital projects	1,633,358	-	1,633,358
Restricted for debt service	77,775	-	77,775
Restricted for Ski Hi Park	302,518	-	302,518
Restricted for water acquisition	-	42,620	42,620
Unrestricted	4,165,434	3,458,684	7,624,118
TOTAL NET POSITION	\$ 23,805,799	\$ 8,561,627	\$ 32,367,426

The accompanying notes are an integral part of this financial statement.

CITY OF MONTE VISTA, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	TOTAL
Primary government:							
Governmental activities:							
General government	\$ 1,024,880	\$ 121,271	\$ 744,508	\$ -	\$ (159,101)	\$ -	\$ (159,101)
Public safety	1,989,096	58,788	21,175	-	(1,909,133)	-	(1,909,133)
Public works	939,400	113,733	20,210	950,059	144,602	-	144,602
Culture and recreation	1,518,701	165,929	50,901	1,231,369	(70,502)	-	(70,502)
Urban/Economic development	55,792	-	-	-	(55,792)	-	(55,792)
Kids connection	281,668	7,364	189,283	-	(85,021)	-	(85,021)
Interest on long-term debt	69,788	-	-	-	(69,788)	-	(69,788)
Total governmental activities	5,879,325	467,085	1,026,077	2,181,428	(2,204,735)	-	(2,204,735)
Business-type activities							
Water services	938,169	1,007,633	-	38,003	-	107,467	107,467
Sewer services	1,055,929	1,932,282	-	268,595	-	1,144,948	1,144,948
Total business-type activities	1,994,098	2,939,915	-	306,598	-	1,252,415	1,252,415
Total primary government	\$ 7,873,423	\$ 3,407,000	\$ 1,026,077	\$ 2,488,026	(2,204,735)	1,252,415	(952,320)
General revenues:							
Taxes:							
General property taxes - net					605,196	-	605,196
Sales and use taxes					3,941,376	-	3,941,376
Franchise taxes					191,985	-	191,985
Other taxes					247,365	-	247,365
Investment and interest income					46,733	36,197	82,930
Miscellaneous					128,023	75,478	203,501
Gain (loss) on disposal of capital assets					-	-	-
Transfers					198,000	(198,000)	-
Total general revenues and transfers					5,358,678	(86,325)	5,272,353
Change in net position					3,153,943	1,166,090	4,320,033
Net position, beginning of year					20,651,856	7,395,537	28,047,393
Net position, end of year					\$ 23,805,799	\$ 8,561,627	\$ 32,367,426

The accompanying notes are an integral part of this financial statement.

CITY OF MONTE VISTA, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

	GENERAL FUND	ONE CENT SALES TAX FUND	CAPITAL IMPROVEMENTS FUNDS	GRANTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and investments	\$ 3,859,172	\$ 553,851	\$ 944,982	\$ (7,618)	\$ 224,519	\$ 5,574,906
Restricted cash and investments	-	-	77,775	-	186,049	263,824
Property tax receivable	491,395	-	-	-	-	491,395
Accounts receivable	129,677	-	-	-	307,000	436,677
Prepaid Expense	37,410	-	-	-	-	37,410
Due from other governments	432,854	120,481	120,481	49,445	87,836	811,097
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	\$ 4,950,508	\$ 674,332	\$ 1,143,238	\$ 41,827	\$ 805,404	\$ 7,615,309
LIABILITIES						
Accounts payable	\$ 71,754	\$ 29,902	\$ -	\$ -	\$ 50,664	\$ 152,320
Accrued liabilities	131,598	3,274	-	-	4,955	139,827
Due to other funds	-	-	-	-	-	-
Unearned revenue - grants	187,967	-	-	-	-	187,967
TOTAL LIABILITIES	391,319	33,176	-	-	55,619	480,114
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property tax	491,395	-	-	-	-	491,395
TOTAL DEFERRED INFLOWS OF RESOURCES	491,395	-	-	-	-	491,395
FUND BALANCE						
Nonspendable	37,410	-	-	-	-	37,410
Restricted	185,000	641,156	1,143,238	41,827	586,935	2,598,156
Committed	259,834	-	-	-	22,173	282,007
Assigned	-	-	-	-	140,677	140,677
Unassigned	3,585,550	-	-	-	-	3,585,550
TOTAL FUND BALANCE	4,067,794	641,156	1,143,238	41,827	749,785	6,643,800
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 4,950,508	\$ 674,332	\$ 1,143,238	\$ 41,827	\$ 805,404	\$ 7,615,309

The accompanying notes are an integral part of this financial statement.

CITY OF MONTE VISTA, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
December 31, 2024

Total governmental fund balances	\$ 6,643,800
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets and leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	18,343,873
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Some assets (liabilities) were not received in the current period and, therefore, are not reported in the funds. This is the amount of the FPPA net pension asset (liability).	-
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Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.

FPPA	408,753
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bond payable	(982,723)	
Financed purchases	(205,718)	
Leases	(113,223)	
Accrued interest payable	(8,547)	
Compensated absences	(118,220)	
	(1,428,431)	(1,428,431)

Certain amounts related to the plan are deferred and amortized over time. These are not reported in the funds.

FPPA	(162,196)
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Net position of governmental activities	\$ 23,805,799
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CITY OF MONTE VISTA, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

			Formerly Major Fund				
	GENERAL FUND	ONE CENT SALES TAX FUND	CAPITAL PROJECTS FUNDS	CAPITAL IMPROVEMENTS FUNDS	GRANTS FUNDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Taxes	\$ 3,302,540	\$ 752,311	\$ -	\$ 752,311	\$ -	\$ -	\$ 4,807,162
Intergovernmental revenue	954,413	25,007	-	-	950,059	475,547	2,405,026
Licenses and permits	36,188	-	-	-	-	-	36,188
Charges for services	389,675	-	-	-	-	7,364	397,039
Fines and forfeits	38,575	-	-	-	-	-	38,575
Investment and interest income	34,922	-	-	9,169	-	2,642	46,733
Contributions	554,975	-	-	-	-	436,024	990,999
Miscellaneous revenue	106,398	6,297	-	-	-	851	113,546
TOTAL REVENUES	5,417,686	783,615	-	761,480	950,059	922,428	8,835,268
EXPENDITURES							
Current Expenditures							
General government	1,023,384	-	-	-	-	-	1,023,384
Public safety	1,568,379	144,588	-	-	-	-	1,712,967
Public works and airport	641,366	-	-	-	-	-	641,366
Culture and recreation	931,374	149,403	-	-	-	1,188	1,081,965
Urban/economic development	-	-	-	-	-	4,816	4,816
Kids connection	-	-	-	-	-	260,040	260,040
Capital outlay	209,736	919,272	-	398,716	1,000,260	424,935	2,952,919
Debt service	524,179	25,575	-	316,393	-	-	866,147
TOTAL EXPENDITURES	4,898,418	1,238,838	-	715,109	1,000,260	690,979	8,543,604
Excess (deficiency) revenues over expenditures	519,268	(455,223)	-	46,371	(50,201)	231,449	291,664
OTHER FINANCING SOURCES (USES)							
Transfers in	250,436	-	-	-	50,201	208,769	509,406
Transfers out	(68,553)	-	-	(190,417)	-	(52,436)	(311,406)
Sale of fixed assets	-	-	-	-	-	-	-
Lease proceeds	-	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	181,883	-	-	(190,417)	50,201	156,333	198,000
Net change in fund balances	701,151	(455,223)	-	(144,046)	-	387,782	489,664

The accompanying notes are an integral part of this financial statement.

CITY OF MONTE VISTA, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	GENERAL FUND	ONE CENT SALES TAX FUND	Formerly Major Fund CAPITAL PROJECTS FUNDS	CAPITAL IMPROVEMENTS FUNDS	GRANTS FUNDS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Fund balance, Beginning of Year as previously stated	3,366,643	1,096,379	136,933	1,287,284	-	266,897	6,154,136
Change within financial reporting entity							
(major to nonmajor fund)	-	-	(136,933)	-	-	136,933	-
(nonmajor to major fund)	-	-	-	-	41,827	(41,827)	-
Fund Balance, Beginning of Year restated	3,366,643	1,096,379	-	1,287,284	41,827	225,070	6,154,136
Fund balance, End of Year	<u>\$ 4,067,794</u>	<u>\$ 641,156</u>	<u>\$ -</u>	<u>\$ 1,143,238</u>	<u>\$ 41,827</u>	<u>\$ 612,852</u>	<u>\$ 6,643,800</u>

The accompanying notes are an integral part of this financial statement.

CITY OF MONTE VISTA, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

Net change in fund balances - total governmental funds \$ 489,664

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 are allocated over their estimated useful lives and reported as depreciation expense. This is the activity in capital assets in the current period.

Capital Asset Additions	\$ 3,062,289	
Capital Asset Deletions Net Accumulated Depreciation	(2,805)	
Depreciation Expense	<u>(990,530)</u>	
		2,068,954

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The bond premium provides a current financial resource to governmental funds, but must be capitalized and amortized over the life of the bonds in the government-wide financial statements.

Lease Proceeds	-	
Bond Payments	228,906	
Finance Purchases Payments	509,964	
Lease Payments	<u>54,830</u>	
		793,700

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	(37,732)	
Accrued Interest Payable	<u>2,659</u>	
		(35,073)

Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension expenditures.

FPPA		<u>(163,302)</u>
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Change in net position of governmental activities **\$ 3,153,943**

The accompanying notes are an integral part of this financial statement.

CITY OF MONTE VISTA, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2024

	WATER FUND	SEWER FUND	TOTAL PROPRIETARY FUNDS
ASSETS			
Current assets			
Cash and cash equivalents	\$ 935,765	\$ 1,688,489	\$ 2,624,254
Restricted cash	42,620	-	42,620
Accounts receivable (Net allowance of \$4,020 and \$5,097)	14,398	107,323	121,721
Other Receivables	-	46,623	46,623
Due from other governments	14,488	77,622	92,110
Inventory	135,129	6,913	142,042
Total current assets	<u>1,142,400</u>	<u>1,926,970</u>	<u>3,069,370</u>
Noncurrent assets			
Investments - long-term	132,788	132,788	265,576
Prepaid water storage, net of accumulated amortization	336,000	-	336,000
Capital assets, not being depreciated	959,120	839,705	1,798,825
Capital assets, net of accumulated depreciation	1,793,147	3,938,170	5,731,317
Total noncurrent assets	<u>3,221,055</u>	<u>4,910,663</u>	<u>8,131,718</u>
TOTAL ASSETS	<u>4,363,455</u>	<u>6,837,633</u>	<u>11,201,088</u>
LIABILITIES			
Current liabilities			
Accounts payable	7,072	78,776	85,848
Accrued liabilities	11,412	12,041	23,453
Accrued interest	19,164	-	19,164
Compensated absences, current portion	13,514	14,478	27,992
Loans payable, current portion	48,292	69,831	118,123
Finance purchases, current portion	3,656	3,656	7,312
Leases payable, current portion	20,008	20,007	40,015
Total current liabilities	<u>123,118</u>	<u>198,789</u>	<u>321,907</u>
Noncurrent liabilities			
Compensated absences	6,091	7,094	13,185
Loans payable	1,589,213	663,361	2,252,574
Finance purchases	3,637	3,637	7,274
Leases	21,692	22,829	44,521
Total noncurrent liabilities	<u>1,620,633</u>	<u>696,921</u>	<u>2,317,554</u>
TOTAL LIABILITIES	<u>1,743,751</u>	<u>895,710</u>	<u>2,639,461</u>
NET POSITION			
Net investment in capital assets	1,065,769	3,994,554	5,060,323
Restricted for water acquisition	42,620	-	42,620
Unrestricted	1,511,315	1,947,369	3,458,684
TOTAL NET POSITION	<u>\$ 2,619,704</u>	<u>\$ 5,941,923</u>	<u>\$ 8,561,627</u>

The accompanying notes are an integral part of this financial statement.

CITY OF MONTE VISTA, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2024

	WATER FUND	SEWER FUND	TOTAL PROPRIETARY FUNDS
OPERATING REVENUES			
Charges for services	\$ 1,007,633	\$ 1,932,282	\$ 2,939,915
Other revenues	73,295	2,183	75,478
Total operating revenues	<u>1,080,928</u>	<u>1,934,465</u>	<u>3,015,393</u>
OPERATING EXPENSES			
Operations and maintenance	739,065	805,673	1,544,738
Depreciation and amortization	137,296	246,766	384,062
Total operating expenses	<u>876,361</u>	<u>1,052,439</u>	<u>1,928,800</u>
Operating income (loss)	<u>204,567</u>	<u>882,026</u>	<u>1,086,593</u>
NONOPERATING REVENUES (EXPENSES)			
Grant revenue	13,703	239,095	252,798
Investment income	26,850	9,347	36,197
Interest expense	(61,808)	(3,490)	(65,298)
Total nonoperating revenues (expenses)	<u>(21,255)</u>	<u>244,952</u>	<u>223,697</u>
Income before capital contribution and operating transfers	<u>183,312</u>	<u>1,126,978</u>	<u>1,310,290</u>
CAPITAL CONTRIBUTIONS			
Tap fees	24,300	29,500	53,800
Total capital contributions	<u>24,300</u>	<u>29,500</u>	<u>53,800</u>
OPERATING TRANSFERS			
Transfers in	-	-	-
Transfers out	(99,000)	(99,000)	(198,000)
Total operating transfers	<u>(99,000)</u>	<u>(99,000)</u>	<u>(198,000)</u>
Change in net position	108,612	1,057,478	1,166,090
Net position, beginning of year	<u>2,511,092</u>	<u>4,884,445</u>	<u>7,395,537</u>
Net position, end of year	<u><u>\$ 2,619,704</u></u>	<u><u>\$ 5,941,923</u></u>	<u><u>\$ 8,561,627</u></u>

The accompanying notes are an integral part of this financial statement.

CITY OF MONTE VISTA, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2024

	WATER FUND	SEWER FUND	TOTAL PROPRIETARY FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,066,300	\$ 1,854,749	\$ 2,921,049
Cash payments to suppliers for goods and services	(336,019)	(378,539)	(714,558)
Cash payments to employees	(396,615)	(413,771)	(810,386)
Net cash provided (used) by operating activities	<u>333,666</u>	<u>1,062,439</u>	<u>1,396,105</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers (to) from other funds	(99,000)	(99,000)	(198,000)
Net cash provided (used) by noncapital financing activities	<u>(99,000)</u>	<u>(99,000)</u>	<u>(198,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	24,300	29,500	53,800
Principal paid on long-term liabilities	(67,450)	(90,504)	(157,954)
Interest paid on long-term liabilities	(61,808)	(3,490)	(65,298)
Grant revenue	13,703	251,908	265,611
Net cash provided (used) by capital and related financing activities	<u>(91,255)</u>	<u>187,414</u>	<u>96,159</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase and construction of capital assets	(55,709)	(454,985)	(510,694)
Interest income	22,774	9,347	32,121
Net cash provided (used) by investing activities	<u>(32,935)</u>	<u>(445,638)</u>	<u>(478,573)</u>
Net increase (decrease) in cash and cash equivalents	110,476	705,215	815,691
Cash and cash equivalents, beginning of year	<u>867,909</u>	<u>1,002,526</u>	<u>1,870,435</u>
Cash and cash equivalents, end of year	<u><u>\$ 978,385</u></u>	<u><u>\$ 1,707,741</u></u>	<u><u>\$ 2,686,126</u></u>
OPERATING INCOME (LOSS)	\$ 204,567	\$ 882,026	\$ 1,086,593
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation and amortization expense	137,296	246,766	384,062
Changes in assets and liabilities			
(Increase) decrease in accounts receivable	(13,426)	(87,357)	(100,783)
(Increase) decrease in due from other governments	(1,202)	5,172	3,970
(Increase) decrease in inventory	(264)	207	(57)
Increase (decrease) in accounts payable	2,004	7,432	9,436
Increase (decrease) in accrued liabilities	(359)	(638)	(997)
Increase (decrease) in accrued interest	(335)	-	(335)
Increase (decrease) in compensated absences	5,385	6,362	11,747
Net cash provided (used) by operating activities	<u><u>\$ 333,666</u></u>	<u><u>\$ 1,059,970</u></u>	<u><u>\$ 1,393,636</u></u>
SUPPLEMENTAL DISCLOSURES			
Reconciliation to the statement of net position			
Cash and cash equivalents	\$ 935,765	\$ 1,688,489	\$ 2,624,254
Restricted cash	42,620	-	42,620
	<u><u>\$ 978,385</u></u>	<u><u>\$ 1,688,489</u></u>	<u><u>\$ 2,666,874</u></u>
Noncash investing, capital, and noncapital financing			
Lease liability for the acquisition of right-to-use asset	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this financial statement.

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The City of Monte Vista (the “City”) was incorporated July 19, 1886 and was reorganized as a home-rule municipality under Article 20 of the Colorado Constitution on March 22, 1922. The City is governed by a council-manager form of government through a Mayor and four-member City Council elected by the residents. The City, authorized through its charter, provides the following services: public safety, public works, water, sanitation, culture & recreation, public improvements, planning and zoning, airport operations, economic development and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the City’s more significant accounting policies follows.

REPORTING ENTITY

The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if the City officials appoint a voting majority of the organization’s governing body and either it is 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 financial burdens on, the City. The City may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of the criteria, the City includes the following entity in its reporting entity.

Monte Vista Urban Renewal Authority

The Monte Vista Urban Renewal Authority (the “URA”) was created to redevelop or rehabilitate certain blighted areas within City limits. The URA has a separate governing board with members appointed by the City Council. Although the URA is legally separate from the City, the URA’s primary revenue source comes from the City and the City has operational and management responsibilities. The URA does not issue separate financial statements and is blended in the City’s financial statements as a special revenue fund.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The statement of net position reports all financial, capital and debt resources of the City. The difference between assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources of the City is reported as net position.

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

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is 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 revenue as soon as all eligibility requirements imposed by the granting agency have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both “measurable and available”. Revenues are considered to be “available” when they are 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 60 days of the end of the current year.

Taxes, intergovernmental revenue and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Grants and similar items are recorded as revenues when all eligibility requirements are met, including any time requirements. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenues are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

When both restricted and unrestricted resources are available for use, it is the City’s practice to use restricted resources first, then unrestricted resources as they are needed.

The City reports the following major governmental funds in the fund financial statements:

- The *General Fund* – The General Fund is used to account for the general operations and specific programs of the City.
- The *One Cent Sales Tax Fund* – The One Cent Sales Tax Fund accounts for the City’s voter approved 1% sales tax collected for the purposes of (1) improving roads; (2) providing additional police officers and upgrading equipment for the police department; and (3) to maintain the Ski Hi Complex and improve the City’s recreation programming. Voters approved allocations as follows: 40% to Ski Hi Complex and recreation programming; 35% to Public Works; and 25% to the Police Department.
- The *Capital Improvements Fund* – The Capital Improvements Fund accounts for the ½ of the City’s 2% sales tax collected for the purposes of capital maintenance, capital outlay and repayment of the 2008 sales tax revenue bonds.

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

- The *Grants Fund* - The Grants Fund is used to account for improvements to the City's municipal airport.

The City reports the following major proprietary funds:

- The *Water Fund* – The Water Fund accounts for the financial activities associated with the provision of water services.
- The *Sewer Fund* – The Sewer Fund accounts for the financial activities associated with the provision of sewer services.

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

Cash and Investments

Cash equivalents include investments with original maturities of three months or less. Pooled cash and investments are considered cash equivalents. Negative balances in pooled cash and investments at year end are reported as Due to/from Other Funds. Investments are reported at fair value.

Due to/from Other Funds

During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as due to/from other funds.

Grants, Other Governments and Accounts Receivable

Grants, other governments and accounts receivable are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventory

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies for the Water and Sewer Funds. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Capital Assets

Capital assets, which include property, plant, buildings and related improvements, equipment, vehicles, and all infrastructure (streets, bridges, underground drainage pipe, traffic signals, etc.) owned by the City, are reported in the applicable government-wide or business-type activities columns of the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, and infrastructure of the City are depreciated/amortized using the straight-line method over the following estimated useful lives.

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

Capital Asset Classes	Years
Building	15-50
Improvements - Building	15-40
Improvements - Other	10-40
Infrastructure	15-50
Water and Sewer Treatment Plants	15-40
Transmission and Distribution Systems	5-40
Equipment and Vehicles	5-15
Right-to-Use Lease Assets:	
Vehicles	4-5 years

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet - governmental funds and statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement classification represents an acquisition of fund balance or net position that applies to a future period and therefore will not be recognized as an outflow of resources (expenses) until then. The City has items related to the participation in the FPPA pension plan that are reported as deferred outflows of resources at year end.

In addition to liabilities, the statement of financial position – governmental activities and the balance sheet – governmental funds report a separate section for deferred inflows of resources. This separate financial statement classification represents an acquisition of fund balance or net position that applies to future periods and therefore will not be recognized as an inflow of resources (revenue) until then. The City has an item related to property taxes levied in the current year to be collected in the following year and items related to its participation in the FPPA pension plans that are reported as deferred inflows of resources at year end.

Leases

Lessee: The City recognizes a lease liability and an intangible right-to-use lease assets in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial 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 its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease terms, and (3) lease payments.

- 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 generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term include the noncancellable period of the leases. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Compensated Absences

Employees of the City are eligible for vacation beginning with their first pay period. Employees accrue between 50 and 168 hours of vacation time annually, based on their years of service. Beginning in 2025, employees will be able to earn up to 240 hours per year, once the maximum is accrued, no additional leave is accrued. Employees will be paid for all accrued vacation time at their current pay rate upon separation of employment.

Employees are allowed to accumulate sick leave up to a maximum of 240 hours. However, unused sick leave will not be paid upon separation of employment. Accrued vacation time is recognized as current salary costs when earned in the proprietary funds and when due in the governmental funds. A long-term liability is reported in the government-wide financial statements for accrued time.

Long-Term Obligations

In the government-wide financial statements, and the proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Debt premiums and discounts are reported as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the year of the debt issuance. In the government-wide and proprietary funds, debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Net Position

In the government-wide and proprietary fund financial statements, net position is restricted when constraints placed on the net position are externally imposed.

- *Net Investment in Capital Assets* – this classification is intended to report the portion of net position which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.
- *Restricted Net Position* – this classification includes liquid assets which have third party limitations on their use.
- *Unrestricted Net Position* – this classification includes the residual net position that does not meet the classification of “net investment in capital assets” or “restricted.”

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact.
- *Restricted* – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City had classified emergency reserves as being restricted because State statute requires this restriction. In addition, the City had restricted amounts because of certain State statutes, bond and loan documents and third party restrictions.

- *Committed* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision-making authority, the City Council. The constraint may be removed or changed only through formal action of the City Council.
- *Assigned* – This classification includes amounts that are constrained by the City’s intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the City Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts.
- *Unassigned* – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

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

	General Fund	One Cent Sales Tax Fund	Grants Fund	Capital Improvements Fund	Total Nonmajor Funds	Total Governmental Funds
Nonspendable	\$ 37,410	\$ -	\$ -	\$ -	\$ -	\$ 37,410
Restricted						
Emergencies	185,000	-	-	-	-	\$ 185,000
Parks	-	-	-	-	60,867	60,867
Public Safety	-	69,165	-	-	-	69,165
Public Works	-	269,473	-	-	-	269,473
Capital Projects	-	-	41,827	1,065,463	526,068	1,633,358
Debt Service	-	-	-	77,775	-	77,775
Ski Hi Park	-	302,518	-	-	-	302,518
	<u>185,000</u>	<u>641,156</u>	<u>41,827</u>	<u>1,143,238</u>	<u>586,935</u>	<u>2,598,156</u>
Committed						
Economic Development	-	-	-	-	22,173	22,173
Multi-Year Obligations	259,834	-	-	-	-	259,834
	<u>259,834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,173</u>	<u>282,007</u>
Assigned						
Kids Connection	-	-	-	-	140,677	140,677
Unassigned	<u>3,585,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,585,550</u>
Total Fund Balance	<u>\$ 4,067,794</u>	<u>\$ 641,156</u>	<u>\$ 41,827</u>	<u>\$ 1,143,238</u>	<u>\$ 749,785</u>	<u>\$ 6,643,800</u>

The City has not established a formal policy for its use of restricted and unrestricted fund balance. However, if both the restricted and unrestricted fund balances are available the City uses restricted fund balance first, followed by committed, assigned and unassigned.

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and are collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow of resources are reported at December 31.

Fire and Police Pension Association of Colorado (FPPA)

For purposes of measuring the net pension liability (asset), deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Statewide Retirement Plan (SWRP) administered by FPPA, and additions to/deductions from this plans' fiduciary net pension have been determined on the same basis as they are reported by FPPA. FPPA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of FPPA. Employer contributions in FPPA's financial statements are recognized in the period in which the contributions are due. Benefit payments are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value. All employees who participate in the plans are funded through the General Fund and, therefore, the net pension liability (asset) is recorded at the government-wide level only.

Use of Estimates

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

Reclassifications

Certain amounts from the prior year have been reclassified for current year financial statement presentation.

New Accounting Pronouncements

During fiscal year 2024, the City adopted the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections*, which establishes accounting and financial reporting requirements for a) accounting changes and b) the correction of an error in previously issued financial statements. Accounting changes are defined as a) changes in accounting principles, b) changes in accounting estimates, and c) changes within the reporting entity. As a result of the change in presentation of the Grants Fund from a nonmajor fund to major fund and Capital Projects fund from a major fund to a nonmajor fund, the beginning fund balances of the nonmajor funds were restated.

During fiscal year 2024, the City adopted the provisions of GASB Statement No. 101, *Compensated Absences*, that aligns the recognition and measurement guidance for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means under a unified model. In addition, it amended certain previously required disclosures. There is no effect on the beginning net position as a result of the implementation of this standard.

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 CASH, DEPOSITS, AND INVESTMENTS

A summary of cash and investments at December 31, 2024, follows:

Petty Cash	\$ 560
Cash Deposits	7,664,546
Investments	1,106,074
Total	<u>\$ 8,771,180</u>

Cash is reported in the financial statements as follows:

Cash and Investments	\$ 8,464,736
Restricted Cash and Investments	306,444
Total	<u>\$ 8,771,180</u>

Cash and Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all local government entities deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized by eligible collateral as determined by the PDPA. The FDIC insures depositors up to \$250,000 for each financial institution. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2024, the City had bank deposits totaling \$8,094,865 of which \$1,050,745 were FDIC insured, and \$7,040,197 were collateralized with securities held by the financial institutions' agents but not in the City's name.

Investments

At December 31, 2024, the City had the following investments:

COLOTRUST	
PRIME and PLUS+	\$ 1,106,074

The City invested in the Colorado Government Liquid Asset Trust (COLOTRUST) (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1, except for COLOTRUST EDGE, which strives to obtain a net asset value of \$10/share. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+ and COLOTRUST EDGE. The portfolios may invest in U.S. Treasury and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ and COLOTRUST EDGE may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as the safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ have a weighted average maturity of 60 days or less and are rated AAAM by Standard and Poor's and COLOTRUST EDGE has a weighted average maturity beyond 60 days and is rated AAAf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the City records

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
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its investments in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest Rate Risk

State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Restricted Cash and Investments

Restricted cash and investments for the Governmental Funds consist of \$186,049 of unspent capital projects funds in the Capital Projects Fund, and \$77,775 for future debt service requirements in the Capital Improvements Fund. The Water Fund restricted \$42,620, by ordinance, for water acquisition in the Fund.

NOTE 3 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund transfers for the year ended December 31, 2024, consisted of the following:

Transfers In	Transfers Out	Amount
General Fund	Water	\$ 99,000
General Fund	Sewer	99,000
General Fund	Conservation Trust	52,436
Urban Renewal Authority	General	5,753
Kids Connection	General	62,800
Grants	Capital Improvements	50,201
Capital Projects	Capital Improvements	140,216
	TOTALS	<u>\$ 509,406</u>

During the year ended December 31, 2024, transfers to the General Fund were reimbursements for administrative costs, including payments in lieu of taxes from the Water and Sewer Funds as well as reimbursement by the Conservation Trust Fund for park expenditures. The General Fund transferred funds to the Urban Renewal Authority and Kids Connection to subsidize operations in these funds. The Capital Improvements Fund transferred to the Grants Fund and Capital Projects Fund to cover the City's share of project expenditures.

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, is summarized below:

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 785,096	\$ -	\$ -	\$ 785,096
Construction in progress	58,441	1,479,572	1,053,288	484,725
Total capital assets not being depreciated	<u>843,537</u>	<u>1,479,572</u>	<u>1,053,288</u>	<u>1,269,821</u>
Capital assets being depreciated				
Buildings and improvements	12,986,364	148,893	-	13,135,257
Infrastructure	4,341,575	1,761,182	-	6,102,757
Improvements- other	4,407,541	81,689	-	4,489,230
Equipment and vehicles	3,028,673	644,242	7,292	3,665,623
Right-to-use lease assets:				
Vehicles	226,561	-	-	226,561
Total capital assets being depreciated	<u>24,990,714</u>	<u>2,636,006</u>	<u>7,292</u>	<u>27,619,428</u>
Less accumulated depreciation/amortization for				
Buildings and improvements	1,951,342	351,475	-	2,302,817
Infrastructure	2,890,951	131,414	-	3,022,365
Improvements- other	2,707,522	210,781	-	2,918,303
Equipment and vehicles	1,969,314	240,221	4,487	2,205,048
Right-to-use lease assets:				
Vehicles	40,203	56,640	-	96,843
Total accumulated depreciation/amortization	<u>9,559,332</u>	<u>990,531</u>	<u>4,487</u>	<u>10,545,376</u>
Total capital assets being depreciated, net	<u>15,431,382</u>	<u>1,645,475</u>	<u>2,805</u>	<u>17,074,052</u>
Governmental activities capital assets, net	<u>\$ 16,274,919</u>	<u>\$ 3,125,047</u>	<u>\$ 1,056,093</u>	<u>\$ 18,343,873</u>

Depreciation/amortization expense was charged to the governmental activities of the primary government as follows:

<i>Governmental activities:</i>	
General government	\$ 73,134
Public safety	112,827
Public works and airport	295,229
Kids Connection	21,628
Culture and recreation	436,736
Urban/economic development	50,976
Total depreciation/amortization expense	<u>\$ 990,530</u>

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
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	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
<i>Business-type Activities:</i>				
Capital assets not being depreciated				
Land	\$ 22,000	\$ -	\$ -	\$ 22,000
Water rights	948,120	-	-	948,120
Construction in Progress	349,995	478,710		828,705
Total capital assets not being depreciated	<u>1,320,115</u>	<u>478,710</u>	<u>-</u>	<u>1,798,825</u>
Capital assets being depreciated				
Buildings and improvements	154,997	-	-	154,997
Water and sewer treatment plants	4,734,771	12,000	-	4,746,771
Transmission and distribution systems	9,991,838	42,006	-	10,033,844
Equipment and vehicles	688,828	38,001	-	726,829
Right-to-use lease assets:				
Vehicles	170,976	-	-	170,976
Total Capital Assets being depreciated	<u>15,741,410</u>	<u>92,007</u>	<u>-</u>	<u>15,833,417</u>
Less accumulated depreciation/amortization				
Buildings and improvements	66,056	4,592	-	70,648
Water and sewer treatment plants	4,362,246	25,124	-	4,387,370
Transmission and distribution systems	4,727,874	264,601	-	4,992,475
Equipment and vehicles	519,565	34,551	-	554,116
Right-to-use lease assets:				
Vehicles	63,295	34,196	-	97,491
Total accumulated depreciation	<u>9,739,036</u>	<u>363,064</u>	<u>-</u>	<u>10,102,100</u>
Total capital assets being depreciated, net	<u>6,002,374</u>	<u>(271,057)</u>	<u>-</u>	<u>5,731,317</u>
Business-type activities capital assets, net	<u>\$ 7,322,489</u>	<u>\$ 207,653</u>	<u>\$ -</u>	<u>\$ 7,530,142</u>

Depreciation/amortization expense was charged to the business-type activities of the primary government as follows:

<i>Business-type activities:</i>	
Water services	\$ 116,296
Sewer services	246,768
Total depreciation/amortization expense	<u>\$ 363,064</u>

NOTE 5 PREPAID WATER STORAGE

The City entered into a contract with San Luis Valley Irrigation District in September 2010 for a 30 year lease of water storage in the amount of \$630,000. The City made two installment payments of \$100,000 and \$530,000 in 2010 and 2014, respectively. The prepaid water storage will be amortized over the 30 year life of the agreement, at \$21,000 per year. As of December 31, 2024, the balance of the prepaid water storage, net of accumulated amortization was \$336,000.

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

NOTE 6 LONG-TERM LIABILITIES

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2024.

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024	Due Within One Year
<i>Governmental activities</i>					
2018 bond refunding	\$ 1,211,629	\$ -	\$ 228,906	\$ 982,723	\$ 235,858
Finance purchases	715,682	-	509,964	205,718	72,050
Leases	168,053	-	54,830	113,223	65,300
Accrued compensated absences	80,488	37,732*	-	118,220	77,330
Total governmental activities	<u>\$ 2,175,852</u>	<u>\$ 37,732</u>	<u>\$ 793,700</u>	<u>\$ 1,419,884</u>	<u>\$ 450,538</u>
<i>Business-type activities</i>					
Loans Payable	\$ 2,487,408	\$ -	\$ 116,711	\$ 2,370,697	\$ 118,123
Finance purchases	21,654	-	7,068	14,586	7,312
Leases	118,607	-	34,071	84,536	40,015
Accrued compensated absences	29,430	11,747*	-	41,177	27,962
Total business-type activities	<u>\$ 2,657,099</u>	<u>\$ 11,747</u>	<u>\$ 157,850</u>	<u>\$ 2,510,996</u>	<u>\$ 193,412</u>

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

Sales Tax Revenue Refunding Bond, Series 2018

During the year ended December 31, 2018, the City refunded Sales Tax Revenue Refunding and Improvements Bonds, Series 2008 with the issuance of Sales Tax Revenue Refunding Note, Series 2018 in the amount of \$2,458,365 with interest at 3.19% per annum. The maturity date did not change from December 1, 2028. The refunding created net present value savings of \$126,836. The old debt was called and paid in full (current refunding), the day following the refunding. The note is secured by a first lien on ½ of the City's 2% sales tax. Principal and Interest are due semi-annually on June 1 and December 1 through December 1, 2028. Interest accrues at a rate of 3.19% per annum. During the year ended December 31, 2024, pledged revenues derived from the dedicated 1% sales taxes totaling \$752,311 were available to pay debt service of \$267,557.

Following is a schedule of future minimum payments required under the bond as of December 31, 2024:

	Principal	Interest	Total
2025	\$ 235,858	\$ 31,349	\$ 267,207
2026	242,571	23,825	266,396
2027	249,040	16,087	265,127
2028	255,254	8,143	263,397
	<u>\$ 982,723</u>	<u>\$ 79,404</u>	<u>\$ 1,062,127</u>

Finance Purchases

Ski Hi Complex – the City financed the construction and completion of the Ski Hi Complex in 2021 through a lease purchase agreement with San Luis Valley Federal Bank (SLVFB) in the amount of \$2,500,000. The contract bears

CITY OF MONTE VISTA, COLORADO
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interest at a rate of 2.946% per annum, with annual base rental payments of \$290,001, beginning December 1, 2021 through December 1, 2030. Payments are made from the General Fund. Capital assets totaling \$8,678,963 are reported in the governmental activities at December 31, 2024. The balance at December 31, 2024 was \$0.

Energy Performance Contract – the City financed repairs and maintenance related to the contract in 2013 through a lease purchase agreement with SLVFB in the amount of \$321,977. The contract bears interest at a rate of 3.35%. Payments are made from the General Fund, beginning February 1, 2013 through February 1, 2028. Capital assets totaling \$190,729 with a net book value of \$41,621 are reported in the governmental activities. The balance at December 31, 2024 was \$113,533.

Heavy Equipment – the City purchased a motor grader, loader, and a backhoe in 2016 through a lease purchase agreement with SLVFB in the amount of \$439,972. The contract bears interest at a rate of 3.03%, with annual base rental payments of \$56,785, beginning December 1, 2018 through December 31, 2026. Payments are made from the Capital Improvement Fund (86%), the Water Fund (7%), and the Sewer Fund (7%). Capital assets totaling \$417,797 with a net book value of \$86,718 are reported in the governmental activities and capital assets totaling \$32,924 with a net book value of \$6,584 are reported in the business-type activities. The balance at December 31, 2024 was \$106,771.

Following is a schedule of future minimum payments required under the outstanding finance purchases at December 31, 2024.

Governmental activities

	Principal	Interest	Total
2025	\$ 72,050	\$ 6,646	\$ 78,696
2026	73,389	4,382	77,771
2027	29,220	2,019	31,239
2028	31,059	1,040	32,099
	<u>\$ 205,718</u>	<u>\$ 14,087</u>	<u>\$ 219,805</u>

Business-type activities

	Principal	Interest	Total
2025	\$ 7,312	\$ 448	\$ 7,760
2026	7,274	227	7,501
	<u>\$ 14,586</u>	<u>\$ 675</u>	<u>\$ 15,261</u>

Leases

The City entered into a master lease agreement with Enterprise Fleet Management in 2022 for vehicles used by public works department and the police department. Throughout the year, nine vehicles were obtained with interest rates ranging from 4.708% to 6.342%, for 48-60 months. Payments are made from the General Fund, One Cent Fund, Water Fund, and Sewer Fund. Capital assets totaling \$226,561 with a net book value of \$129,718 are reported in the governmental activities and capital assets totaling \$170,976 with a net book value of \$73,485 are reported in the business-type activities. In addition, the City has guaranteed a residual value of \$18,362 in the governmental activities and \$15,954 in the business-type activities at December 31, 2024.

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The future minimum lease payments to maturity for the leases payable at December 31, 2024 are as follows:

	<i>Governmental activities</i>	<i>Business-type activities</i>
2025	\$ 65,300	\$ 40,015
2026	48,172	40,015
2027	8,685	13,909
Total minimum lease payments	122,157	93,939
Less: interest	(8,934)	(9,403)
Present value of future minimum lease payments	<u>\$ 113,223</u>	<u>\$ 84,536</u>

Loans Payable

2010 Water Loan – the City entered into a \$1,693,770 loan agreement with the Colorado Water Conservation Board (CWCB) for acquisition of water rights and water storage. Principal and interest payments are due annually over a 30-year period beginning September 1, 2019 through September 1, 2048. Interest accrues at 4% per annum. The balance at December 31, 2024 was \$1,434,867.

2011 Water Loan – the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA), in the principal amount of \$400,000, for construction and improvements to the water distribution system. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2042. The loan is non-interest bearing. The balance at December 31, 2024 was \$202,609.

The 2010 and 2011 water loans are payable solely from revenues of the City’s water utility system, after deducting operation and maintenance costs. During the year ended December 31, 2024, net revenues of \$204,567 were available to pay annual debt service of \$105,688. Remaining debt service at December 31, 2024 was \$2,461,257.

2015 Sewer Loan – the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority (CWRPDA), in the principal amount of \$1,396,612, for construction of the City’s sewer system expansion project. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2035. The loan is non-interest bearing. The balance at December 31, 2024 was \$733,192.

This 2015 sewer loan is payable solely from revenues of the City’s sewer utility system, after deducting operation and maintenance costs. During the year ended December 31, 2024, net revenues of \$882,026 were available to pay annual debt service of \$69,831. Remaining debt service at December 31, 2024 was \$733,192.

CITY OF MONTE VISTA, COLORADO
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The following is a schedule of the future minimum loan payments required under the loans payable as of December 31, 2024:

	Principal	Interest	Total
2025	\$ 118,123	\$ 57,396	\$ 175,519
2026	119,591	55,927	175,518
2027	121,119	54,400	175,519
2028	122,707	52,812	175,519
2029	124,359	51,160	175,519
2030-2034	648,982	228,611	877,593
2035-2039	387,161	176,194	563,355
2040-2044	387,075	112,421	499,496
2045-2048	341,580	34,831	376,411
	<u>\$ 2,370,697</u>	<u>\$ 823,752</u>	<u>\$ 3,194,449</u>

NOTE 7 PUBLIC ENTITY RISK POOL

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the City is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the City does not approve budgets nor does it have the ability to significantly affect the operations of the entity.

NOTE 8 PENSION PLANS

Defined Contribution Plan

Effective February 2, 2024, the City began contributing to a single employer defined contribution money purchase pension plan on behalf of its fulltime employees, with the exception of sworn police officers. The contribution requirements of Plan participants and the City are established and may be amended by the City Council. The Plan is administered by Colorado Retirement Association. The City is required to contribute 3.5% of each participant's covered payroll. Employees are required to contribute to 3% of their covered payroll to the plan. For the year ended December 31, 2024, the City recognized pension expense of \$55,561 net of forfeitures. Employees become 100% vested in the City's contributions and earnings after two years of service. Non-vested City contributions are forfeited upon termination of employment. Such forfeitures are either used to cover a portion of the pension plan's

CITY OF MONTE VISTA, COLORADO
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administrative expenses or are returned to the City. For the year ended December 31, 2024, the City reported no returned forfeitures used as City contributions.

The Colorado Retirement Association plan replaced the former plan through Mission Square that concluded January, 2024. At the conclusion of the plan, the City recognized expense to that plan of \$725.

457 Deferred Compensation Plan

Effective February 2, 2024, the City has a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan is administered by Colorado Retirement Association. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary pre-tax and/or post-tax until future years. There is no City match to this plan.

The Colorado Retirement Association plan replaced the former plan through Mission Square in which the City matched up to 3% of the participating employee's contributions to the plan. For the year ended December 31, 2024, the City contributed \$3,893. The plan concluded January 31, 2024.

Police Pension

Plan description

The Statewide Retirement Plan (SWRP) is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component, and Money Purchase Component. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

Description of benefits

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

The annual retirement benefit for the Defined Benefit component is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

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Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions

Contribution rates for the plan are set by State Statute for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases in a combined contribution rate of 25.0 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 21.5 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increase 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2022, the total minimum required member and employer contribution rate was 21.7 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase .25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 10.75 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2023, the total minimum combined member and employer contribution rate was 16.25 percent.

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2023 through June 30, 2024 is 14.24 percent. The Hybrid Defined Benefit Component contribution rate from January 1, 2023 through June 30, 2023 was 13.90 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

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Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

Contributions to the SWRP from the City were \$78,189 for the year ended December 31, 2024.

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

At December 31, 2024, the City reported a net pension liability (asset) of \$0 for its proportionate share of the net pension liability (asset) of the SWRP.

The net pension liabilities (assets) were measured as of December 31, 2023, and the total pension liability (asset) used to calculate the net pension liability (assets) were determined by an actuarial valuation as of January 1, 2023. The City's proportion of the net pension liabilities (assets) were based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating members, actuarially determined. At December 31, 2023, the City's SWRP proportion was 0.07285 percent.

For the year ended December 31, 2024, the City recognized pension (income)/expense for the SWRP of \$163,302.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to SWRP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 138,740	\$ 6,666
Changes of assumptions or other inputs	80,475	-
Net difference between projected and actual earnings	99,603	-
Change in proportionate share	11,746	155,530
Contributions subsequent to the measurement date	78,189	-
Total	<u>\$ 408,753</u>	<u>\$ 162,196</u>

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

\$78,189 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a decrease (increase) of the net pension liability (asset) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>		
2025	\$	33,397
2026		59,101
2027		93,295
2028		(5,015)
2029		(1,400)
Thereafter		<u>(11,010)</u>
	\$	<u>168,368</u>

Actuarial assumptions

The actuarial valuations for the SWRP was used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2023. The valuations used the following actuarial assumption and other inputs:

	<u>Total Pension Liability</u>	<u>Actuarial Determined Contributions</u>
Actuarial Valuation Date	January 1, 2024	January 1, 2023
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return, net*	7.00%	7.00%
Projected Salary Increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
* Includes Inflation at	2.5%	2.5%

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income - Rate	10%	5.35%
Fixed Income - Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
Total	<u>100%</u>	

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

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

Discount rate

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.77 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

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

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Proportionate share of SWRP net pension liability/(asset)	\$ 408,502	\$ -	\$ -

NOTE 9 COMMITMENTS AND CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the "Amendment"), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to the City.

Revenue in excess of the fiscal spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

The City's management believes it is in compliance with the provisions of the Amendment. However, the Amendment is complex and subject to interpretation. Many of its provisions may require judicial interpretation. In November 1997, voters within the City authorized the City to collect, retain and expend all revenues and other funds in excess of the revenue limitations of the Amendment.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2024, the emergency reserve of \$185,000 was reported as restricted fund balance in the General Fund.

The URA is not subject to the Amendment. See: *Marian L. Olson v. City of Golden, et. al.* 53 P.3d 747 (Co. App.), certiorari denied.

Claims and Judgments

The City participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2024, significant amounts of grant expenses have not been audited, but management believes that subsequent audits will not have a material effect on the overall financial position of the City.

USDA Award

The City was awarded a USDA grant for \$1,000,000 in February 2024 for a project to protect, enhance, and expand equitable urban tree canopy cover to maximize community access to human health, social, ecological and economic benefits particularly to the disadvantaged and nature-deprived areas of our community which experience low tree canopy cover, and increase access to parks and nature in our community. No expenditures were incurred on the project as of December 31, 2024. Work is expected to begin in 2025 and to be completed in 2028.

CITY OF MONTE VISTA, COLORADO
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2024

Brownfield Project

The City was awarded an Environmental Protection Agency (EPA) award for \$1,000,000 in October 2024 to plan, inventory, characterize, assess, conduct cleanup planning and community involvement activities, and remediate the Brownfield properties. No expenditures were incurred on the project as of December 31, 2024. Work is expected to begin in 2025 and to be completed in 2029.

CITY OF MONTE VISTA, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements, a budgetary comparison schedule is required for the General Fund, and if applicable, each of the City's major special revenue funds. In addition, pension plan contributions and the City's proportionate share of the net pension liabilities (assets) are required to supplement the basic financial statements.

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2024

With Comparative Actual Totals for the Year Ended December 31, 2023

	2024			2023	
	VARIANCE WITH FINAL BUDGET				
	BUDGETED AMOUNTS			POSITIVE	
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)	ACTUAL
REVENUES					
Taxes	\$ 2,778,409	\$ 3,255,023	\$ 3,302,540	\$ 47,517	\$ 3,250,488
Intergovernmental	977,524	977,524	954,413	(23,111)	422,953
Licenses and permits	35,621	35,621	36,188	567	34,348
Charges for service	396,763	396,763	389,675	(7,088)	348,584
Fines and forfeitures	45,042	45,042	38,575	(6,467)	38,618
Interest income	32,591	32,591	34,922	2,331	28,872
Contributions	551,747	551,747	554,975	3,228	1,039,437
Miscellaneous	114,640	114,640	106,398	(8,242)	149,829
TOTAL REVENUES	4,932,337	5,408,951	5,417,686	8,735	5,313,129
EXPENDITURES					
Current:					
General government	964,720	1,072,187	1,023,384	48,803	1,043,477
Public safety	1,631,213	1,715,633	1,568,379	147,254	1,481,714
Public works and airport	676,803	676,803	641,366	35,437	608,070
Culture and recreation	969,718	969,718	931,374	38,344	837,677
Capital outlay	233,129	233,129	209,736	23,393	464,541
Debt service	524,454	524,454	524,179	275	1,062,077
TOTAL EXPENDITURES	5,000,037	5,191,924	4,898,418	293,506	5,497,556
Excess (deficiency) revenues over expenditures	(67,700)	217,027	519,268	302,241	(184,427)
OTHER FINANCING SOURCES (USES)					
Transfers in	91,300	250,436	250,436	-	253,000
Transfers out	(23,600)	(79,600)	(68,553)	11,047	(49,885)
Sale of capital assets	-	-	-	-	18,700
Loan proceeds	-	-	-	-	50,641
TOTAL OTHER FINANCING SOURCES (USES)	67,700	170,836	181,883	11,047	272,456
Net change in fund balance	-	387,863	701,151	313,288	88,029
Fund balance, beginning of year	3,283,495	3,283,495	3,366,643	83,148	3,278,614
Fund balance, end of year	\$ 3,283,495	\$ 3,671,358	\$ 4,067,794	\$ 396,436	\$ 3,366,643

See notes to the required supplementary information.

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ONE CENT SALES TAX FUND
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Year Ended December 31, 2023

	<u>2024</u>		<u>2023</u>	
	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ACTUAL</u>
REVENUES				
Taxes	\$ 665,309	\$ 675,708	\$ 752,311	\$ 722,403
Intergovernmental Revenue	-	-	25,007	-
Contributions	-	-	-	7,500
Miscellaneous	-	-	6,297	19,523
TOTAL REVENUES	<u>665,309</u>	<u>675,708</u>	<u>783,615</u>	<u>749,426</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	153,111	153,111	144,588	174,088
Public works and airport	-	-	-	13,668
Culture and recreation	159,000	159,000	149,403	144,631
Capital outlay	976,757	1,206,216	919,272	426,563
Debt service	25,580	25,580	25,575	54,662
TOTAL EXPENDITURES	<u>1,314,448</u>	<u>1,543,907</u>	<u>1,238,838</u>	<u>813,612</u>
Excess (deficiency) revenues over expenditures	<u>(649,139)</u>	<u>(868,199)</u>	<u>(455,223)</u>	<u>(64,186)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	130,000
Lease proceeds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,000</u>
Net Change in fund balance	(649,139)	(868,199)	(455,223)	65,814
Fund balance, beginning of year	<u>778,254</u>	<u>868,199</u>	<u>1,096,379</u>	<u>1,030,565</u>
Fund balance, end of year	<u>\$ 129,115</u>	<u>\$ -</u>	<u>\$ 641,156</u>	<u>\$ 1,096,379</u>

See notes to the required supplementary information.

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GRANTS FUND

For the Year Ended December 31, 2024
With Comparative Actual Totals for the Year Ended December 31, 2023

	2024		2023	
			VARIANCE WITH	
			FINAL BUDGET	
			POSITIVE	
	BUDGETED AMOUNTS		(NEGATIVE)	
	ORIGINAL	FINAL	ACTUAL	ACTUAL
REVENUES				
Intergovernmental revenue	\$ 1,047,809	\$ 1,047,809	\$ 950,059	\$ (97,750) 309,085
TOTAL REVENUES	<u>1,047,809</u>	<u>1,047,809</u>	<u>950,059</u>	<u>(97,750) 309,085</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public works and airport	-	-	-	12,259
Capital outlay	1,101,032	1,101,032	1,000,260	100,772 330,482
TOTAL EXPENDITURES	<u>1,101,032</u>	<u>1,101,032</u>	<u>1,000,260</u>	<u>100,772 342,741</u>
Excess (deficiency) revenues over expenditures	(53,223)	(53,223)	(50,201)	3,022 (33,656)
OTHER FINANCING SOURCES (USES)				
Transfers in	53,223	53,223	50,201	(3,022) 33,656
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>53,223</u>	<u>53,223</u>	<u>50,201</u>	<u>(3,022) 33,656</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>41,827</u>	<u>41,827</u>	<u>41,827</u>	<u>- 41,827</u>
Fund Balance, end of Year	<u>\$ 41,827</u>	<u>\$ 41,827</u>	<u>\$ 41,827</u>	<u>\$ - \$ 41,827</u>

See notes to the required supplementary information

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF THE PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FPPA - STATEWIDE RETIREMENT PLAN - POLICE
For the Years Ended December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability (asset)	0.07285%	0.04814%	0.05195%	0.04300%	0.03480%
City's proportionate share of the net liability (asset)	\$ -	\$ 42,732	\$ (281,552)	\$ (93,345)	\$ (19,680)
City's covered payroll	\$ 834,795	\$ 539,253	\$ 418,848	\$ 418,234	\$ 300,889
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	7.92%	-67.22%	-22.32%	-6.54%
Plan fiduciary net position as a percentage of the total pension liability	100.00%	100.70%	116.20%	106.70%	101.94%

Notes to Schedules: Information presented since joining FPPA. As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.

** Prior to 2024 data reflects information related to FPPA Statewide Defined Benefit Plan (SWDB).

See notes to the required supplementary information.

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF CONTRIBUTIONS
FPPA - STATEWIDE RETIREMENT PLAN - POLICE
For the Years Ended December 31,

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 78,189	\$ 51,155	\$ 37,696	\$ 35,550	\$ 26,770
Contributions in relation to the contractually required contribution	<u>(78,189)</u>	<u>(51,155)</u>	<u>(37,696)</u>	<u>(35,550)</u>	<u>(26,770)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 834,795	\$ 539,253	\$ 418,848	\$ 418,234	\$ 300,889
Contributions as a percentage of covered payroll	9.37%	9.49%	9.00%	8.50%	8.90%

Notes to Schedules: Information presented since joining FPPA. As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.

** Prior to 2024 data reflects information related to FPPA Statewide Defined Benefit Plan (SWDB).

See notes to the required supplementary information.

CITY OF MONTE VISTA, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2024

NOTE 1 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets are legally adopted for all funds of the City. A budget is not presented for the Monte Vista Urban Renewal Authority, a component unit. Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and long-term debt principal are budgeted as expenditures and depreciation is not budgeted.

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

- In September, Management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer and public comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Budgets amended by the City Council during the year have been presented in the budgetary comparison schedules for each fund amended.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures must be approved by the City Council.
- All budget appropriations lapse at year end.

The total expenditures for each fund cannot exceed the budgeted amount unless a supplemental appropriation is adopted. The City did adopt supplemental appropriations during fiscal year 2024.

Total expenditures exceed budgeted appropriations in the Kids Connection Fund by \$6,029. This may be a violation of Colorado Revised Statutes 29-1-110(1).

NOTE 2 CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS

2023

- Statewide Defined Benefit Plan and the Statewide Hybrid Plan have merged to form the Statewide Retirement Plan
- Decreased the municipal bond rate 4.05% to 3.77%

2022

- Post-retirement mortality assumptions were changed to the Pub-2010 Safely Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees.
- The municipal bond rate increased from 1.84 percent to 4.05 percent.

2021 There were no changes in assumptions or other inputs effective this measurement period.

2020 There were no changes in assumptions or other inputs this measurement period compared to prior year.

2019

- Reduced the real return rate from 5.00% to 4.50%, combined with an unchanged inflation rate of 2.5%, reduced the nominal investment assumption from 7.50% to 7.00%.
- Increased the productivity component of the salary scale assumption from 1.50% to 1.75%. Combined with the inflation rates of 2.50%, this creates an ultimate salary assumption of 4.25%.
- Removed the blue collar adjustment for the mortality tables being used and updated the mortality projection scale from Scale BB to the ultimate rates of the MP-2017 projection scale.
- Increased disability rates for members covered by a defined benefit program.

CITY OF MONTE VISTA, COLORADO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2024

- Slightly modified retirement rates to reflect increased retirement utilization for low service members and slightly decreased the normal retirement rates after age 55.
- Limited the amortization period used to determine the Actuarially Determined Contribution Rate such that no negative amortization results (the payment always covers at least the interest on the unfunded liability).

CITY OF MONTE VISTA, COLORADO

SUPPLEMENTARY INFORMATION

The combining financial statements represent the second level of financial reporting for the City. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

**CITY OF MONTE VISTA, COLORADO
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expend for particular purposes.

Conservation Trust Fund – This fund is used to account for the City’s share of the state lottery program. The monies may be expended only for the acquisition, development, and maintenance of parks, and other public recreational facilities.

Urban Renewal Authority Fund – This fund is used to account for the activities of the Urban Renewal Authority, a blended component unit of the City.

Kids Connection Fund – This fund is used to account for afterschool and summer day camp programs that is licensed by the State of Colorado.

CAPITAL PROJECTS FUNDS

Capital Projects Fund – This fund is used to account for construction projects budgeted and approved by the City, which are funded by grants, donations, and transfers from other funds.

CITY OF MONTE VISTA, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2024

	SPECIAL REVENUE FUNDS				
	URBAN				
	CONSERVATION TRUST FUND	RENEWAL AUTHORITY FUND	KIDS CONNECTION FUND	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL
ASSETS					
Cash and investments	\$ 60,867	\$ 22,566	\$ 141,086	\$ -	\$ 224,519
Restricted cash and investments	-	-	-	186,049	186,049
Accounts receivable	-	-	5,700	301,300	307,000
Due from other governments	-	-	-	87,836	87,836
TOTAL ASSETS	<u>\$ 60,867</u>	<u>\$ 22,566</u>	<u>\$ 146,786</u>	<u>\$ 575,185</u>	<u>\$ 805,404</u>
LIABILITIES					
Accounts payable	\$ -	\$ 393	\$ 1,154	\$ 49,117	\$ 50,664
Accrued liabilities	-	-	4,955	-	4,955
Due to other funds	-	-	-	-	-
Unearned grant revenue	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>393</u>	<u>6,109</u>	<u>49,117</u>	<u>55,619</u>
FUND BALANCE					
Restricted	60,867	-	-	526,068	586,935
Committed	-	22,173	-	-	22,173
Assigned	-	-	140,677	-	140,677
TOTAL FUND BALANCE	<u>60,867</u>	<u>22,173</u>	<u>140,677</u>	<u>526,068</u>	<u>749,785</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 60,867</u>	<u>\$ 22,566</u>	<u>\$ 146,786</u>	<u>\$ 575,185</u>	<u>\$ 805,404</u>

CITY OF MONTE VISTA, COLORADO
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	SPECIAL REVENUE FUNDS					
	URBAN					
	CONSERVATION	RENEWAL	KIDS		CAPITAL	TOTAL
	TRUST	AUTHORITY	CONNECTION	GRANTS	PROJECTS	NONMAJOR
	FUND	FUND	FUND	FUND	FUND	GOVERNMENTAL
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	50,901	-	106,863	-	317,783	475,547
Charges for services	-	-	7,364	-	-	7,364
Investment and interest income	175	-	-	-	2,467	2,642
Contributions	-	-	82,420	-	353,604	436,024
Miscellaneous revenue	-	251	600	-	-	851
TOTAL REVENUE	51,076	251	197,247	-	673,854	922,428
EXPENDITURES						
Current:						
Public works and airport	-	-	-	-	-	-
Culture and recreation	-	1,188	-	-	-	1,188
Urban/economic development	-	4,816	-	-	-	4,816
Kids connection	-	-	260,040	-	-	260,040
Capital outlay	-	-	-	-	424,935	424,935
TOTAL EXPENDITURES	-	6,004	260,040	-	424,935	690,979
Excess (deficiency) of revenues over expenditures	51,076	(5,753)	(62,793)	-	248,919	231,449
OTHER FINANCING SOURCES (USES)						
Transfers in	-	5,753	62,800	-	140,216	208,769
Transfers out	(52,436)	-	-	-	-	(52,436)
TOTAL OTHER FINANCING SOURCES (USES)	(52,436)	5,753	62,800	-	140,216	156,333
Net change in fund balances	(1,360)	-	7	-	389,135	387,782
Fund balance, Beginning of Year as previously stated	62,227	22,173	140,670	41,827	-	266,897
Change within financial reporting entity						
(major to nonmajor)	-	-	-	-	136,933	136,933
(nonmajor to major)	-	-	-	(41,827)	-	(41,827)
Fund Balance, Beginning of Year restated	62,227	22,173	140,670	-	136,933	362,003
Fund balance, End of Year	\$ 60,867	\$ 22,173	\$ 140,677	\$ -	\$ 526,068	\$ 749,785

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONSERVATION TRUST FUND
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Year Ended December 31, 2023

	2024		2023	
	BUDGETED AMOUNTS		VARIANCE WITH	
	ORIGINAL	FINAL	FINAL BUDGET	
			POSITIVE	
			(NEGATIVE)	ACTUAL
REVENUES				
Intergovernmental revenue				
State lottery	\$ 52,436	\$ 52,436	\$ 50,901	\$ (1,535)
Contribution Revenue	-	140,000	-	(140,000)
Investment income	144	144	175	31
TOTAL REVENUES	52,580	192,580	51,076	(141,504)
EXPENDITURES				
Current:				
Culture and recreation	-	-	-	-
Capital outlay	-	140,000	-	140,000
TOTAL EXPENDITURES	-	140,000	-	140,000
Excess (deficiency) revenues over expenditures	52,580	52,580	51,076	(1,504)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(45,000)	(45,000)	(52,436)	(7,436)
TOTAL OTHER FINANCING SOURCES (USES)	(45,000)	(45,000)	(52,436)	(7,436)
Net change in fund balance	7,580	7,580	(1,360)	(8,940)
Fund Balance, Beginning of Year	66,369	66,369	62,227	(4,142)
Fund Balance, End of Year	\$ 73,949	\$ 73,949	\$ 60,867	\$ (13,082)

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
URBAN RENEWAL AUTHORITY FUND
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Year Ended December 31, 2023

	2024			2023	
	VARIANCE WITH FINAL BUDGET				
	BUDGETED AMOUNTS			POSITIVE	
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)	ACTUAL
REVENUES					
Intergovernmental revenue	\$ 15,000	\$ -	\$ -	\$ -	\$ 2,354
Investment and interest income	-	-	-	-	1
Miscellaneous revenue	-	-	251	251	1,377
TOTAL REVENUES	15,000	-	251	251	3,732
EXPENDITURES					
Current:					
Culture and recreation	32,100	2,100	1,188	912	1,402
Urban/economic development	6,500	6,500	4,816	1,684	7,091
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	38,600	8,600	6,004	2,596	8,493
Excess (deficiency) revenues over expenditures	(23,600)	(8,600)	(5,753)	2,847	(4,761)
OTHER FINANCING SOURCES (USES)					
Transfers In	23,600	8,600	5,753	(2,847)	4,785
TOTAL OTHER FINANCING SOURCES (USES)	23,600	8,600	5,753	(2,847)	4,785
Net change in fund balance	-	-	-	-	24
Fund balance, beginning of year	22,995	22,995	22,173	(822)	22,149
Fund balance, end of year	\$ 22,995	\$ 22,995	\$ 22,173	\$ (822)	\$ 22,173

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
KIDS CONNECTION FUND
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Year Ended December 31, 2023

	2024		2023		
			VARIANCE WITH		
	BUDGETED AMOUNTS		FINAL BUDGET		
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)	ACTUAL
REVENUES					
Intergovernmental revenue	\$ 134,800	\$ 114,400	\$ 106,863	\$ (7,537)	\$ 219,410
Charges for services	6,300	6,300	7,364	1,064	5,919
Contribution	80,100	80,100	82,420	2,320	56,368
Miscellaneous revenue	700	-	600	600	475
TOTAL REVENUES	221,900	200,800	197,247	(3,553)	282,172
EXPENDITURES					
Current:					
Kids connection	221,617	254,011	260,040	(6,029)	358,974
TOTAL EXPENDITURES	221,617	254,011	260,040	(6,029)	358,974
OTHER FINANCING SOURCES (USES)					
Transfers In	-	56,000	62,800	6,800	76,875
TOTAL OTHER FINANCING SOURCES (USES)	-	56,000	62,800	6,800	76,875
Net change in fund balance	283	2,789	7	(2,782)	73
Fund balance, beginning of year	144,016	144,016	140,670	(3,346)	140,597
Fund balance, end of year	\$ 144,299	\$ 146,805	\$ 140,677	\$ (6,128)	\$ 140,670

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Year Ended December 31, 2023

	2024		2023	
	BUDGETED AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ACTUAL
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Intergovernmental revenue	\$ 1,390,654	\$ 1,390,654	\$ 317,783	\$ (1,072,871) \$ 40,039
Contributions	-	-	353,604	353,604 -
Interest income	3,589	3,589	2,467	(1,122) 5,558
Miscellaneous revenue	-	-	-	-
TOTAL REVENUES	1,394,243	1,394,243	673,854	(720,389) 45,597
EXPENDITURES				
Current:				
Public works and airport	-	-	-	- 43,758
Culture and recreation	-	-	-	- -
Debt issuance costs	-	-	-	- -
Capital outlay	1,691,440	1,691,440	424,935	1,266,505 153,914
Debt service	-	-	-	- 205,963
TOTAL EXPENDITURES	1,691,440	1,691,440	424,935	1,266,505 403,635
Excess (deficiency) revenues over expenditures	(297,197)	(297,197)	248,919	546,116 (358,038)
OTHER FINANCING SOURCES (USES)				
Transfers in	297,197	297,197	140,216	(156,981) 135,458
Transfers out	-	-	-	- -
Lease proceeds	-	-	-	- -
TOTAL OTHER FINANCING SOURCES (USES)	297,197	297,197	140,216	(156,981) 135,458
Net change in fund balance	-	-	389,135	389,135 (222,580)
Fund balance, beginning of year	139,120	139,120	136,933	(2,187) 359,513
Fund balance, end of year	\$ 139,120	\$ 139,120	\$ 526,068	\$ 386,948 136,933

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND
For the Year Ended December 31, 2024
With Comparative Actual Totals for the Year Ended December 31, 2023

	2024		2023	
	BUDGETED AMOUNTS		VARIANCE WITH	
	ORIGINAL	FINAL	FINAL BUDGET	
			POSITIVE	
			(NEGATIVE)	ACTUAL
REVENUES				
Taxes				
Sales taxes	\$ 665,309	\$ 692,598	\$ 752,311	\$ 59,713
Interest income	3,408	3,408	9,169	5,761
				8,784
TOTAL REVENUES	668,717	696,006	761,480	65,474
				731,187
EXPENDITURES				
Capital Outlay	405,000	405,000	398,716	6,284
Debt service				-
Principal payments	273,610	273,610	273,627	(17)
Interest and fiscal charges	42,855	42,855	42,766	89
				51,201
TOTAL EXPENDITURES	721,465	721,465	715,109	6,356
				316,282
Excess (deficiency) revenues over expenditures	(52,748)	(25,459)	46,371	71,830
				414,905
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(333,530)	(350,420)	(190,417)	160,003
				(200,889)
TOTAL OTHER FINANCING SOURCES (USES)	(333,530)	(350,420)	(190,417)	160,003
				(200,889)
Net change in fund balance	(386,278)	(375,879)	(144,046)	231,833
				214,016
Fund balance, beginning of year	1,083,919	1,083,919	1,287,284	203,365
				1,073,268
Fund balance, end of year	\$ 697,641	\$ 708,040	\$ 1,143,238	\$ 435,198
				\$ 1,287,284

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
WATER FUND

For the Year Ended December 31, 2024
With Comparative Actual Totals for the Year Ended December 31, 2023

	2024				2023
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
	ORIGINAL	FINAL	ACTUAL		ACTUAL
REVENUES					
Charges for services	\$ 1,471,327	\$ 1,040,501	\$ 1,007,633	\$ (32,868)	\$ 1,029,647
Tap fees	21,300	21,300	24,300	3,000	6,500
Grant proceeds	-	-	13,703	13,703	211,110
Investment income	23,900	23,900	26,850	2,950	23,114
Other revenues	68,700	68,700	73,295	4,595	78,910
TOTAL REVENUES	1,585,227	1,154,401	1,145,781	(8,620)	1,349,281
EXPENSES					
Operations and maintenance	1,355,303	889,030	739,065	149,965	658,154
Capital outlay	96,846	96,846	55,709	41,137	220,962
Debt service					
Principal	50,566	50,566	67,450	(16,884)	61,652
Interest	62,146	62,146	61,808	338	73,257
Transfers out	99,000	99,000	99,000	-	99,000
TOTAL EXPENSES	1,663,861	1,197,588	1,023,032	174,556	1,113,025
Net income, budget basis	<u>\$ (78,634)</u>	<u>\$ (43,187)</u>	122,749	<u>\$ 165,936</u>	236,256
GAAP BASIS ADJUSTMENTS					
Capital Outlay			55,709		220,962
Amortization of Water Rights			(21,000)		(21,000)
Depreciation/Amortization			(116,296)		(100,034)
Principal Paid on Long-Term Debt			67,450		61,652
Net income, GAAP basis			108,612		397,836
Net position, beginning of year			<u>2,511,092</u>		<u>2,113,256</u>
Net position, end of year			<u>\$ 2,619,704</u>		<u>\$ 2,511,092</u>

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL (NON-GAAP)
SEWER FUND

For the Year Ended December 31, 2024

With Comparative Actual Totals for the Year Ended December 31, 2023

	2024		2023	
	BUDGETED AMOUNTS		VARIANCE WITH	
	ORIGINAL	FINAL	FINAL BUDGET	
			POSITIVE	
			(NEGATIVE)	ACTUAL
REVENUES				
Charges for services	\$ 1,484,097	\$ 1,514,576	\$ 1,932,282	\$ 417,706
Tap fees	25,500	25,500	29,500	4,000
Grant proceeds	388,351	388,351	239,095	(149,256)
Investment income	7,620	7,620	9,347	1,727
Loan proceeds	-	-	-	-
Miscellaneous	1,483	1,483	2,183	700
TOTAL REVENUES	1,907,051	1,937,530	2,212,407	274,877
EXPENSES				
Operations and maintenance	2,079,755	2,107,169	805,673	1,301,496
Capital outlay	-	-	515,008	(515,008)
Debt service				
Principal	73,468	73,468	90,400	(16,932)
Interest	3,540	3,540	3,490	50
Transfers out	99,000	99,000	99,000	-
TOTAL EXPENSES	2,255,763	2,283,177	1,513,571	769,606
 Net income, budget basis	 \$ (348,712)	 \$ (345,647)	 698,836	 \$ 1,044,483
GAAP BASIS ADJUSTMENTS				
Capital Outlay			515,008	208,802
Depreciation/Amortization			(246,766)	(306,397)
Principal Paid on Long-Term Debt			90,400	85,463
 Net income, GAAP basis			 1,057,478	 673,364
 Net position, beginning of year			 4,884,445	 4,211,081
 Net position, end of year			 \$ 5,941,923	 \$ 4,884,445

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		City of Monte Vista
		YEAR ENDING :
This Information From The Records Of: City of Monte Vista, Colorado		Prepared By:
		Phone:
		Anita Kinsey, Finance Director
		719-852-8285

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. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	257,501
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	2,373
2. General fund appropriations		b. Snow and ice removal	4,615
3. Other local imposts (from page 2)	1,018,129	c. Other	
4. Miscellaneous local receipts (from page 2)	17,111	d. Total (a. through c.)	6,988
5. Transfers from toll facilities		4. General administration & miscellaneous	186,194
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	468,980
a. Bonds - Original Issues		6. Total (1 through 5)	919,663
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	29,761
7. Total (1 through 6)	1,035,240	b. Redemption	176,257
B. Private Contributions		c. Total (a. + b.)	206,018
C. Receipts from State government		2. Notes:	
(from page 2)	197,359	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	0	c. Total (a. + b.)	0
E. Total receipts (A.7 + B + C + D)	1,232,599	3. Total (1.c + 2.c)	206,018
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,125,681

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	932,958	0	176,257	756,701
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	360,356	1,232,599	1,125,681	467,274	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 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	90,779	a. Interest on investments	11,636
b. Other local imposts:		b. Traffic Fines & Penalties	5,475
1. Sales Taxes	845,283	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	82,067	g. Other Misc. Receipts	
6. Total (1. through 5.)	927,350	h. Other	
c. Total (a. + b.)	1,018,129	i. Total (a. through h.)	17,111
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	174,817	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	16,606	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (State Funds: Clickit)	5,936	f. Other Federal	
f. Total (a. through e.)	22,542	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	197,359	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS 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			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		0	0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)
Notes and Comments:			

CITY OF ALAMOSA, COLORADO
SINGLE AUDIT SECTION

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024

<i>Federal Grantor/Program or Cluster Title</i>	<i>Assistance Listing Number</i>	<i>Pass-through Grantor and Number</i>	<i>Passed-through to Subrecipients (\$)</i>	<i>Federal Expenditures (\$)</i>
U.S. Department of Agriculture				
Child and Adult Care Food Program	10.558	Colorado Department of Public Health and Environment, N/A	\$ -	\$ 2,274
Total of U.S. Department of Agriculture			-	2,274
U.S. Department of Interior				
Minerals Leasing Act	15.437	Colorado Department of Local Affairs, EIAF-09569	-	239,095
Total of U.S. Department of Interior			-	239,095
U.S. Department of Justice				
Bulletproof Vest Partnership Program	16.607		-	1,125
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Colorado Division of Criminal Justice, 2020-DJ-23-05-48-1	-	89,204
Total U.S. Department of Justice			-	90,329
U.S. Department of Transportation				
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106		-	899,924
Total of U.S. Department of Interior			-	899,924
U.S. Department of the Treasury				
Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Transportation, N/A	-	149,561
Coronavirus State and Local Fiscal Recovery Funds	21.027	Colorado Department of Local Affairs, N/A	-	594,875
Total U.S. Department of the Treasury			-	744,436
Total Other Programs			-	1,976,058
Total Expenditures of Federal Awards			\$ -	\$ 1,976,058

CITY OF MONTE VISTA, COLORADO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Monte Vista, Colorado 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 Monte Vista, Colorado, it is not intended to and does not present the financial position, changes in net position, or cash flows of City of the Monte Vista, Colorado.

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. Pass-through entity identifying numbers are presented where available. Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii funds were passed through to a subrecipient. The City did not elect to use the 15 or 10-percent de minimis indirect cost rate as allowed under Uniform Guidance for the year ended December 31, 2024.

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



Wall,
Smith,
Bateman Inc.

To the Honorable Mayor and City Council
City of Monte Vista, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Monte Vista, 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 July 15, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

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 *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 15, 2025

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**



Wall,
Smith,
Bateman Inc.

To the Honorable Mayor and City Council
City of Monte Vista, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Monte Vista, Colorado's (the City) compliance with the types of compliance requirements identified as subject to audit 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 auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Monte Vista, Colorado 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; 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* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Monte Vista, Colorado 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.

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

Auditors' 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 generally accepted auditing standards, *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 generally accepted auditing standards, *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 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 a 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 internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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.

The purpose of this report on 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

July 15, 2025

CITY OF MONTE VISTA, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2024

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:

Unmodified

Internal control over financial reporting:

- | | | |
|---|----------|----------------------|
| ▪ Material weakness(es) identified? | _____yes | ___X___no |
| ▪ Significant deficiency(ies) identified that are not
considered to be material weakness(es)? | _____yes | ___X___none reported |
| ▪ Noncompliance material to financial statements noted? | _____yes | ___X___no |

Federal Awards

Internal control over major programs:

- | | | |
|---|----------|----------------------|
| ▪ Material weakness(es) identified? | _____yes | ___X___no |
| ▪ Significant deficiency(ies) identified that are not
considered to be material weakness(es)? | _____yes | ___X___none reported |

Type of auditors’ report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in
accordance with 2 CFR section 200.516(a)?

_____yes ___X___no

Identification of major programs:

Assistance Listing Number

20.106

Name of Federal Program or Cluster

Airport Improvement Program, Infrastructure Investment
and Jobs Act Programs, and COVID-19 Airports Programs

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee?

_____yes ___X___no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary Schedule of Prior Year Findings

None