CITY OF ROCKY FORD, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2025

CITY OF ROCKY FORD, COLORADO

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INDEPENDENT AUDITORS' REPORT

To the City Council
City of Rocky Ford, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rocky Ford, Colorado, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise City of Rocky Ford, Colorado basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Rocky Ford, Colorado, as of December 31, 2025, and the respective changes in financial position and, where applicable, cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 of Rocky Ford, Colorado's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Rocky Ford, Colorado's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension and other post-employment benefit schedules and the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2026 on our consideration of the City of Rocky Ford, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Rocky Ford, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Rocky Ford, Colorado's internal control over financial reporting and compliance.



HANCOCK FROESE & COMPANY LLC

Rocky Ford, Colorado

August 21, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Rocky Ford's (the "City") Annual Financial Report provides readers with a narrative overview and analysis of the City's financial performance during the fiscal year that ended on December 31, 2025. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report, the City of Rocky Ford's basic financial statements and notes to the financial statements to enhance their understanding of the activities and financial health of the City of Rocky Ford.

FINANCIAL HIGHLIGHTS

The City's total net position decreased from $21,567,531 to $20,728,786 over the course of the City's operations in 2025.

During the year, the City's governmental revenues generated in taxes and other revenues for governmental programs (after other financing sources) were $728,782 less than the $5,726,720 of expenditures for general government and governmental services.

The City's business-type funds, the water, sewer and solid waste disposal funds, had a decrease in total net position of $109,963 over the year, down from $10,462,944 in 2024 to $10,352,981 in 2025.

Overview of the Financial Statements

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

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

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

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

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

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

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

Government-wide Statements

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

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

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

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

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

1. *Governmental Activities*. Most of the City's basic services are included in governmental activities such as public safety, streets, recreation and general administration. Property and sales taxes and state and federal grants finance most of these activities.

2. *Business-type Activities*. The City charges fees to customers to help cover the costs of certain services it provides. The City's water, sewer and solid waste enterprise funds are included here.

3. *Component Units*. Component units are legally separate organizations for which the Rocky Ford City Council is financially accountable. Currently, the City has no component units.

Fund Financial Statements

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

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

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

The City has two kinds of funds:

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

2. *Proprietary Funds*. Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

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

Financial Analysis of the City as a Whole

Net Position: As discussed earlier, net position may serve as a useful indicator of a government's financial position. As of December 31, 2025, total City's net position was $20,728,786, governmental activity net position was $10,375,805 and business-type activities net position were $10,352,981. The table below provides a comparative summary of the City's Governmental and Business-type net position for 2025 and 2024:

The 2025 MD&A presentation includes comparative changes in net position for the past two years below:

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
Assets	2025	2024	2025	2024	2025	2024
Current and other	$ 2,191,720	$ 1,537,569	$ 5,360,980	$ 5,257,417	$ 7,552,700	$ 6,794,986
Capital Assets	$ 11,011,569	$ 11,189,252	$ 9,462,201	$ 9,249,001	$ 20,473,770	$ 20,438,253
Total Assets	$ 13,203,289	$ 12,726,821	$ 14,823,181	$ 14,506,418	$ 28,026,470	$ 27,233,239
Deferred Outflows of Resources	$ 54,833	$ 39,176	$ -	$ -	$ 54,833	$ 39,176
Total Assets and Deferred Outflows	$ 13,258,122	$ 12,765,997	$ 14,823,181	$ 14,506,418	$ 28,081,303	$ 27,272,415
Liabilities						
Current and other	$ 2,195,819	$ 1,149,155	$ 250,226	$ 247,198	$ 2,446,045	$ 1,396,353
Long-term Liab.	$ 330,411	$ 235,975	$ 4,219,974	$ 3,796,276	$ 4,550,385	$ 4,032,251
Total Liabilities	$ 2,526,230	$ 1,385,130	$ 4,470,200	$ 4,043,474	$ 6,996,430	$ 5,428,604
Deferred Inflows of Resources	$ 356,087	$ 276,280	$ -	$ -	$ 356,087	$ 276,280
Net Position						
Net Investment in Capital Assets	$ 10,681,158	$ 10,953,277	$ 5,433,826	$ 5,614,025	$ 16,114,984	$ 16,567,302
Restricted	$ 589,109	$ 334,466	$ 886,952	$ 790,906	$ 1,476,061	$ 1,125,372
Unrestricted	$ (894,462)	$ (183,156)	$ 4,032,203	$ 4,058,013	$ 3,137,741	$ 3,874,857
Total Net Position	$ 10,375,805	$ 11,104,587	$ 10,352,981	$ 10,462,944	$ 20,728,786	$ 21,567,531
Total Liabilities, Deferred Inflows & Net Position	$ 13,258,122	$ 12,765,997	$ 14,823,181	$ 14,506,418	$ 28,081,303	$ 27,272,415

A significant portion (78%) of the net position represents the *net investment in capital asset*. This includes land, buildings, machinery and equipment, and infrastructure assets, offset with associated long-term and short-term debt liabilities. Capital assets are restricted for the purpose of providing services to the citizens of Rocky Ford; consequently, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Other *restricted net position* represents resources that are subject to external restrictions on how they may be used. Included in this category are unspent proceeds for capital projects, debt service reserve, mandated reserves for restricted library assets, conservation trust, restricted receivables and TABOR emergency funds. This portion makes up 7% of the total.

The remaining 15% of net position represent the *unrestricted* portion available for the City's ongoing obligations to its citizens.

At the end of 2025, the City of Rocky Ford had positive balances in all three categories of net position.

Changes in Revenues and Expenditures

The table below presents the City's 2025 revenues and expenditures for Governmental and Business-type activities as they are reported in the Statement of Activities compared to 2024. The revenues and expenditures include the Governmental Funds (General Fund, Capital Projects Fund and Special Revenue Funds) and the Enterprise Funds (Water Utility Fund, Sewer Utility Fund and Solid Waste Disposal Utility Fund).

The 2025 MD&A presentation includes changes in revenues and expenditures for the past two years below:

Changes in Revenues and Expenditures

	Governmental Activities		Business-Type Activities		Total	
REVENUES	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Governmental Revenues:						
Charges for Services	$1,548,751	$1,398,690			$1,548,751	$ 1,398,690
Operating Grants & Contributions	$ 251,343	$ 247,192			$ 251,343	$ 247,192
Capital Grants & Contributions	$ 312,762	$ 281,801			$ 312,762	$ 281,801
Taxes	$2,369,008	$2,462,132			$2,369,008	$2,462,132
Other taxes, Licenses & Fines	$ 304,530	$ 351,838			$ 304,530	$ 351,838
Other, Pension	$ 87,496	$ 83,833			$ 87,496	$ 83,833
Contributions	$ -	$ -			$ -	$ -
Total Governmental Revenues	$4,873,890	$4,825,486			$ 4,873,890	$ 4,825,486
Business-type Revenues						
Charges for Services			$ 3,083,690	$ 3,186,005	$ 3,083,690	$ 3,186,005
Other			$ 194,396	$ 369,182	$ 194,396	$ 369,182
Grants & Contributions			$ 42,000	$ 7,020	$ 42,000	$ 7,020
Total Business-type Revenues			$ 3,320,086	$ 3,562,207	$ 3,320,086	$3,562,207
TOTAL REVENUES	$4,873,890	$4,825,486	$ 3,320,086	$ 3,562,207	$ 8,193,976	$8,387,693
EXPENDITURES						
Governmental Expenditures						
General Government	$ 353,408	$ 352,314			$ 353,408	$ 352,314
Public Safety	$3,510,283	$3,329,914			$3,510,283	$3,329,914
Public Works	$ 952,512	$1,014,569			$ 952,512	$1,014,569
Health & Welfare	$ 139,584	$ 136,712			$ 139,584	$ 136,712
Culture and Recreation	$ 770,933	$1,010,885			$ 770,933	$1,010,885
Total Governmental Expenditures	$5,726,720	$5,844,394			$5,726,720	$5,844,394
Business-type Expenditures						
Personal Services, Materials, Supplies			$ 2,697,924	$ 2,577,342	$ 2,697,924	$2,577,342
Depreciation Expense			$ 577,777	$ 657,000	$ 577,777	$ 657,000
Total Business-type Expenditures			$ 3,275,701	$ 3,234,342	$ 3,275,701	$3,234,342
TOTAL EXPENDITURES	$ 5,726,720	$ 5,844,394	$ 3,275,701	$ 3,234,342	$ 9,002,421	$9,078,736
EXCESS (DEFICIENCY) BEFORE TRANSFERS & SPECIAL ITEM	$ (852,830)	$(1,018,908)	$ 44,385	$ 327,865	$ (808,445)	$ (691,043)
Transfers In (Out)	$ 124,048	$ -	$ (124,048)	$ -	$ -	$ -
Special Item	$ -	$ -	$ (30,300)	$ (11,900)	$ (30,300)	$ (11,900)
CHANGE IN NET POSITION	$ (728,782)	$(1,018,908)	$ (109,963)	$ 315,965	$ (838,745)	$ (702,943)
NET POSITION – BEGINNING	$11,104,587	$12,123,495	$10,462,944	$10,146,979	$21,567,531	$22,270,474
NET POSITION – ENDING	$10,375,805	$11,104,587	$10,352,981	$10,462,944	$20,728,786	$21,567,531

Governmental Activities: Governmental activities accounted for $728,782 of revenues under expenses for 2025. Total revenues, including transfers, from governmental activities including the general fund and other governmental funds amounted to $4,873,890.

Total expenses for governmental activities in 2025 including the general fund and other governmental funds amounted to $5,726,720.

Business-type Activities: The business activities had expenditures in excess of revenues totaling $109,963 in 2025.

The Water Utility Fund had expenses in excess of revenues of $356,333. This was due to operating expenses exceeding operating revenues by $399,098.

The Sewer Utility Fund had revenues in excess of expenses of $219,898. This was due to operating revenues exceeding operating expenses by $225,589.

The Solid Waste Disposal Utility Fund had revenues in excess of expenses of $26,472 due to operating revenues exceeding operating expenses by $87,529.

Financial Analysis of the City's Funds

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

At the end of 2025, the City of Rocky Ford reported a fund balance (deficit) for total governmental funds of ($274,506) compared to $207,162 in 2024. Of the total fund balance, unassigned fund balance (deficit) was ($863,615), the portion of fund balance which serves as a measure of current available financial resources. The fund balance is further divided into committed and restricted. The committed portion reflects the City's reserves, working capital, sick and vacation leave and future capital equipment. The unassigned portion is not set aside by management for any other purpose and is therefore an available financial resource, when available.

The restricted fund balance represents resources not available for spending or those on which legal restrictions have been placed. The City's restricted fund balance includes the following: restricted for emergencies- Tabor $157,800; restricted for future expenditures and capital improvements $380,304; and restricted for conservation trust $51,005.

General Fund: The General Fund of the City accounts for all transactions not accounted for in other funds. As the City's major operating fund, the General Fund accounts for ordinary operating expenditures financed primarily by property and sales taxes and charges for services. The General Fund completed the year with a fund balance (deficit) of ($719,084). This was a decrease of ($725,272) from the previous year's fund balance of $6,188. The General Fund had total budgeted revenues of $5,358,732 and actual revenues of $4,211,978 and total budgeted expenditures of $5,483,732 and actual expenditures of $5,261,043.

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

Enterprise Funds: The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing goods or services to the general public are being financed or recovered primarily through users' charges on a continuing basis. The City of Rocky Ford has three enterprise funds: the Water Utility Fund with unrestricted net position of $1,815,430 in 2025 down from $2,039,912 in 2024, the Sewer Utility Fund with unrestricted net position of $1,422,954 in 2025 up from $1,234,490 in 2024 and the Solid Waste Disposal Utility Fund with unrestricted net position of $793,819 in 2025 up from $783,611 in 2024.

Capital Asset and Debt Administration

Capital Assets: At the end of 2025, the City had acquired $20,473,770 (net of accumulated depreciation and amortization) in a broad range of capital assets for its governmental and business-type activities, including land, buildings, park facilities, roads, bridges, heavy machinery, vehicle and equipment, and infrastructure.

1. All infrastructure assets acquired to date are included in capital assets in accordance with GASB 34 requirements.
2. All leased assets acquired to date are included in capital assets in accordance with GASB 87 requirements.
3. The total increase in net capital assets for 2025 was $35,517 or less than 1%.
4. Additional information on the City's capital assets can be found in Notes 1 and 4 of the Notes to Financial Statements.

Long-Term Debt: Colorado Revised Statutes provide for a general obligation debt limit of 1.5% of assessed valuation. The 2025 assessed valuation was $15,637,552.

At December 31, 2025, the City of Rocky Ford had the following outstanding long-term debt:

1. $191,600 in estimated closure and post closure care costs for the landfill operated by Otero County Landfill Inc.;

2. $23,636 remaining balance on a $109,079 loan payable to the Colorado Department of Local Affairs used to finance a waste-water lift station at the Arkansas Valley Fairgrounds and a chlorination and de-chlorination waste-water treatment facility in 2008;

3. $2,077,909 loan payable semi-annually to Rural Development for financing of Zone 1, Zone 2, Water Treatment Plant & Water Tank improvements in 2011.

4. $389,325 lease payable to U.S. Bancorp Government Leasing and Financing, Inc., for professional services and the acquisition of equipment for energy and water conservation measures.

5. $584,087 loan payable to Colorado Water Resources and Power Development Authority with a 0% interest rate for system upgrades in the Sewer Fund.

6. $331,441 loan payable to Colorado Water Resources and Power Development Authority with a 0% interest rate for system upgrades in the Sewer Fund.

7. $14,343 lease payable for various right-to-use assets with an incremental borrowing rate of 3.75%.

8. $30,158 lease payable for a 1500 Chevy Silverado pick-up truck with an incremental borrowing rate of 5.06%.

9. $171,201 lease payable for three Ford F-150 Police Responders with an incremental borrowing rate of 8.29%.

10. $58,925 lease payable for a 3500 GMC Sierra pick-up truck with an incremental borrowing rate of 5.06%.

11. $677,760 loan payable to CoBank with a 5.9% interest rate for interim financing for capital expenditures for the sewer collection system improvement project in the Sewer Fund.

Economic Factors and Next Year's Budgets and Rates

The 2026 budget reflects an increase in the General Fund revenues and expenditures. Other factors potentially affecting the 2026 budget is the increase in wages, the increase in fuel and utility costs, and the change in usage of water in 2026 verse 2025; which affects the revenues received in Enterprise Funds.

Contacting the City's Financial Management

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

BASIC FINANCIAL STATEMENTS

CITY OF ROCKY FORD, COLORADO

STATEMENT OF NET POSITION

DECEMBER 31, 2025

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CASH OR EQUIVALENTS	$ 61,124	$ 711,898	$ 773,022
INVESTMENTS	-	1,544,372	1,544,372
RECEIVABLES - NET:			
ACCOUNTS / OTHER	1,052,630	384,542	1,437,172
GRANTS	302,314	-	302,314
PROPERTY TAXES	349,000	-	349,000
PREPAID EXPENSES	-	18,650	18,650
INTERFUND RECEIVABLE (PAYABLE)	(1,932,989)	1,932,989	-
INVENTORIES	-	79,477	79,477
PENSION FORFEITURE ACCOUNTS	81,595	-	81,595
RESTRICTED ASSETS	345,057	689,052	1,034,109
CAPITAL ASSETS:			
LAND	361,407	-	361,407
BUILDINGS	9,739,527	-	9,739,527
SYSTEMS AND EQUIPMENT	-	25,587,389	25,587,389
IMPROVEMENTS	4,920,905	-	4,920,905
EQUIPMENT	3,849,812	-	3,849,812
CONSTRUCTION IN PROGRESS	-	-	-
ACCUMULATED DEPRECIATION	(7,860,082)	(16,125,188)	(23,985,270)
TOTAL ASSETS	11,270,300	14,823,181	26,093,481
DEFERRED OUTFLOWS OF RESOURCES			
PENSION RELATED	54,833	-	54,833
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 11,325,133	$ 14,823,181	$ 26,148,314
LIABILITIES			
ACCOUNTS PAYABLE	$ 13,657	$ 4,673	$ 18,330
ACCRUED SALARIES AND BENEFITS	157,400	69,359	226,759
ACCRUED EXPENSES	15,014	19,818	34,832
UNEARNED INCOME	73,971	-	73,971
CUSTOMERS DEPOSITS	-	156,376	156,376
NET PENSION LIABILITY	2,788	-	2,788
NON CURRENT LIABILITIES:			
DUE WITHIN ONE YEAR	116,168	335,409	451,577
DUE IN MORE THAN ONE YEAR	214,243	3,884,565	4,098,808
TOTAL LIABILITIES	593,241	4,470,200	5,063,441
DEFERRED INFLOWS OF RESOURCES			
PENSION RELATED	7,087	-	7,087
DEFERRED REVENUES - PROPERTY TAXES	349,000	-	349,000
TOTAL DEFERRED INFLOWS OF RESOURCES	356,087	-	356,087
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	10,681,158	5,433,826	16,114,984
RESTRICTED FOR:			
OPERATIONS AND MAINTENANCE	-	197,900	197,900
FUTURE EXPENDITURES	380,304	689,052	1,069,356
CONSERVATION TRUST	51,005	-	51,005
EMERGENCIES - TABOR	157,800	-	157,800
UNRESTRICTED	(894,462)	4,032,203	3,137,741
TOTAL NET POSITION	10,375,805	10,352,981	20,728,786
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 11,325,133	$ 14,823,181	$ 26,148,314

CITY OF ROCKY FORD, COLORADO

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: TOTAL
GOVERNMENTAL ACTIVITIES:							
GENERAL GOVERNMENT	$ 353,408	$ 44,845	$ 18,121	$ -	$ (290,442)	$ -	$ (290,442)
PUBLIC SAFETY	3,510,283	1,255,693	-	156,397	(2,098,193)	-	(2,098,193)
PUBLIC WORKS	952,512	44,289	187,287	-	(720,936)	-	(720,936)
HEALTH AND WELFARE	139,584	38,525	-	-	(101,059)	-	(101,059)
CULTURE AND RECREATION	770,933	165,399	45,935	156,365	(403,234)	-	(403,234)
TOTAL GOVERNMENTAL ACTIVITIES	5,726,720	1,548,751	251,343	312,762	(3,613,864)	-	(3,613,864)
BUSINESS-TYPE ACTIVITIES:							
WATER	1,739,007	1,246,711	-	42,000	-	(450,296)	(450,296)
SEWER	911,598	1,125,016	-	-	-	213,418	213,418
SOLID WASTE DISPOSAL	625,096	711,963	-	-	-	86,867	86,867
TOTAL BUSINESS-TYPE ACTIVITIES	3,275,701	3,083,690	-	42,000	-	(150,011)	(150,011)
TOTAL PRIMARY GOVERNMENT	$ 9,002,421	$ 4,632,441	$ 251,343	$ 354,762	(3,613,864)	(150,011)	(3,763,875)
GENERAL REVENUES							
PROPERTY TAXES					277,532	-	277,532
SALES TAXES					1,923,022	-	1,923,022
FRANCHISE TAXES					168,454	-	168,454
OTHER TAXES LICENSES AND FINES					304,530	-	304,530
PENSION					8,042	-	8,042
OTHER					79,454	194,396	273,850
TRANSFERS					124,048	(124,048)	-
SPECIAL ITEM					-	(30,300)	(30,300)
TOTAL GENERAL REVENUES AND SPECIAL ITEM					2,885,082	40,048	2,925,130
CHANGE IN NET POSITION					(728,782)	(109,963)	(838,745)
NET POSITION JANUARY 1					11,104,587	10,462,944	21,567,531
NET POSITION DECEMBER 31					$ 10,375,805	$ 10,352,981	$ 20,728,786

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF ROCKY FORD, COLORADO

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2025

	GENERAL	CAPITAL IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
CASH OR EQUIVALENTS	$ -	$ -	$ 61,124	$ 61,124
RESTRICTED ASSETS	37,884	307,173	-	345,057
RECEIVABLES:				
PROPERTY TAXES	349,000	-	-	349,000
GRANTS	302,314	-	-	302,314
OTHER	973,011	75,481	4,138	1,052,630
TOTAL ASSETS	$ 1,662,209	$ 382,654	$ 65,262	$ 2,110,125
LIABILITIES				
ACCOUNTS PAYABLE	$ 10,726	$ 2,350	$ 581	$ 13,657
ACCRUED EXPENSES	14,607	-	407	15,014
UNEARNED REVENUE	73,971	-	-	73,971
INTERFUND PAYABLE	1,932,989	-	-	1,932,989
TOTAL LIABILITIES	2,032,293	2,350	988	2,035,631
DEFERRED INFLOWS OF RESOURCES				
DEFERRED REVENUES -				
PROPERTY TAXES	349,000	-	-	349,000
FUND BALANCE (DEFICIT)				
RESTRICTED FOR				
EMERGENCIES - TABOR	157,800	-	-	157,800
FUTURE EXPENDITURES	-	380,304	-	380,304
CONSERVATION TRUST	-	-	51,005	51,005
UNASSIGNED	(876,884)	-	13,269	(863,615)
TOTAL FUND BALANCE (DEFICIT)	(719,084)	380,304	64,274	(274,506)
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE (DEFICIT)	$ 1,662,209	$ 382,654	$ 65,262	$ 2,110,125

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF ROCKY FORD, COLORADO

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:		
TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		$ (274,506)
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN FUNDS.		
THE COST OF CAPITAL ASSETS IS	$ 18,871,651	
ACCUMULATED DEPRECIATION IS	(7,860,082)	
		11,011,569
PAYMENTS WHICH REFLECT COSTS APPLICABLE TO FUTURE ACCOUNTING PERIODS REQUIRE THE USE OF CURRENT FINANCIAL RESOURCES AND THEREFORE ARE REPORTED AS EXPENDITURES IN GOVERNMENTAL FUNDS.		
NET PENSION ASSETS	-	
DEFERRED OUTFLOWS - PENSION RELATED AMOUNTS	54,833	
		54,833
PENSION FUNDS FORFEITURE ACCOUNTS		81,595
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS.		
LONG TERM LEASES	(330,411)	
COMPENSATED ABSENCES	(157,400)	
DEFERRED INFLOWS - PENSION RELATED AMOUNTS	(7,087)	
NET PENSION LIABILITIES	(2,788)	
		(497,686)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 10,375,805

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF ROCKY FORD, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEAR ENDED DECEMBER 31, 2025

	GENERAL	CAPITAL IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
TAXES	$ 2,145,082	$ 480,755	$ -	$ 2,625,837
LICENSES AND PERMITS	22,814	-	-	22,814
INTERGOVERNMENTAL	205,408	-	45,935	251,343
CHARGES FOR SERVICES	1,421,574	-	110,968	1,532,542
FINES	24,887	-	-	24,887
GRANTS	312,762	-	-	312,762
MISCELLANEOUS	79,451	-	3	79,454
TOTAL REVENUES	4,211,978	480,755	156,906	4,849,639
EXPENDITURES				
GENERAL GOVERNMENT	353,077	-	9,572	362,649
PUBLIC SAFETY	3,807,142	-	-	3,807,142
PUBLIC WORKS	426,828	259,095	-	685,923
HEALTH AND WELFARE	137,584	-	-	137,584
CULTURE AND RECREATION	536,412	-	125,390	661,802
TOTAL EXPENDITURES	5,261,043	259,095	134,962	5,655,100
REVENUES OVER (UNDER) EXPENDITURES	(1,049,065)	221,660	21,944	(805,461)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	124,048	-	-	124,048
LEASE PROCEEDS	199,745	-	-	199,745
TOTAL OTHER FINANCING SOURCES (USES)	323,793	-	-	323,793
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	(725,272)	221,660	21,944	(481,668)
FUND BALANCE JANUARY 1	6,188	158,644	42,330	207,162
FUND BALANCE (DEFICIT) DECEMBER 31	$ (719,084)	$ 380,304	$ 64,274	$ (274,506)

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF ROCKY FORD, COLORADO

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

YEAR ENDED DECEMBER 31, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:		
NET CHANGE IN FUND BALANCE		$ (481,668)
GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES. HOWEVER, IN THE STATEMENT OF ACTIVITIES THE COST OF THOSE ASSETS IS ALLOCATED OVER THEIR ESTIMATED USEFUL LIVES AND REPORTED AS DEPRECIATION EXPENSE. THIS IS THE AMOUNT BY WHICH CAPITAL OUTLAY EXCEEDED DEPRECIATION IN THE CURRENT PERIOD.		
CAPITAL OUTLAY	$ 498,580	
DEPRECIATION AND AMORTIZATION EXPENSE	(676,263)	
		(177,683)
SOME CAPITAL ADDITIONS WERE FINANCED THROUGH CAPITAL LEASES. IN GOVERNMENTAL FUNDS, A CAPITAL LEASE ARRANGEMENT IS CONSIDERED A SOURCE OF FINANCING, BUT IN THE STATEMENT OF NET POSITION, THE LEASE OBLIGATION IS REPORTED AS A LIABILITY.		
PROCEEDS FROM LEASE		(199,745)
CAPITAL LEASE PAYMENTS ARE REPORTED AS EXPENDITURES IN THE GOVERNMENTAL FUNDS BUT NOT REPORTED AS EXPENSES IN THE STATEMENT OF ACTIVITIES		
LEASE PAYMENTS		105,309
SOME EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES DO NOT REQUIRE THE USE OF CURRENT FINANCIAL RESOURCES AND THEREFORE, ARE NOT REPORTED AS EXPENDITURES IN THE GOVERNMENTAL FUNDS		
COMPENSATED ABSENCES	754	
PENSION RELATED AMOUNTS	24,251	
		25,005
PENSION FUND FORFEITURES		-
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ (728,782)

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF ROCKY FORD, COLORADO

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2025

	WATER	SEWER	SOLID WASTE DISPOSAL	TOTAL
CURRENT ASSETS				
CASH OR EQUIVALENTS	$ 50,242	$ 169,080	$ 492,576	$ 711,898
INVESTMENTS	1,041,242	503,130	-	1,544,372
ACCOUNTS RECEIVABLE - CUSTOMERS (NET)	151,310	142,130	91,102	384,542
PREPAID EXPENSES	18,650	-	-	18,650
INTERFUND RECEIVABLES	676,546	831,185	425,258	1,932,989
INVENTORIES	78,111	1,366	-	79,477
TOTAL CURRENT ASSETS	2,016,101	1,646,891	1,008,936	4,671,928
RESTRICTED ASSETS				
RESTRICTED CASH	624,072	64,980	-	689,052
PROPERTY AND EQUIPMENT- AT COST				
SYSTEM AND EQUIPMENT	17,771,147	6,798,117	1,018,125	25,587,389
ACCUMULATED DEPRECIATION	(11,827,686)	(3,407,016)	(890,486)	(16,125,188)
NET PROPERTY AND EQUIPMENT	5,943,461	3,391,101	127,639	9,462,201
TOTAL ASSETS	$ 8,583,634	$ 5,102,972	$ 1,136,575	$ 14,823,181
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	$ 2,096	$ 988	$ 1,589	$ 4,673
ACCRUED SALARIES AND BENEFITS	22,772	24,658	21,929	69,359
ACCRUED INTEREST	19,427	391	-	19,818
BONDS PAYABLE - CURRENT MATURITY	59,484	-	-	59,484
LOANS PAYABLE - CURRENT MATURITY	-	120,265	-	120,265
LEASES PAYABLE - CURRENT MATURITY	136,500	-	-	136,500
ACCRUED LANDFILL CLOSURE - CURRENT PORTION	-	-	19,160	19,160
TOTAL CURRENT LIABILITIES	240,279	146,302	42,678	429,259
TERM LIABILITIES				
BONDS PAYABLE	2,018,425	-	-	2,018,425
LOANS PAYABLE	-	1,496,659	-	1,496,659
LEASES PAYABLE	197,041	-	-	197,041
ACCRUED CLOSURE LANDFILL COSTS	-	-	172,440	172,440
TOTAL TERM LIABILITIES	2,215,466	1,496,659	172,440	3,884,565
OTHER LIABILITIES				
CUSTOMER DEPOSITS	156,376	-	-	156,376
TOTAL LIABILITIES	2,612,121	1,642,961	215,118	4,470,200
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	3,532,011	1,774,177	127,638	5,433,826
RESTRICTED FOR:				
OPERATIONS AND MAINTENANCE	-	197,900	-	197,900
FUTURE EXPENDITURES	624,072	64,980	-	689,052
UNRESTRICTED	1,815,430	1,422,954	793,819	4,032,203
TOTAL NET POSITION	5,971,513	3,460,011	921,457	10,352,981
TOTAL LIABILITIES AND NET POSITION	$ 8,583,634	$ 5,102,972	$ 1,136,575	$ 14,823,181

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF ROCKY FORD, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2025

	WATER	SEWER	SOLID WASTE DISPOSAL	TOTAL
OPERATING REVENUES				
CHARGES FOR SERVICES	$ 844,591	$ 941,779	$ 711,963	$ 2,498,333
SPECIAL ASSESSMENTS	402,120	183,237	-	585,357
TOTAL OPERATING REVENUES	1,246,711	1,125,016	711,963	3,083,690
OPERATING EXPENSES				
PERSONAL SERVICES, MATERIALS, SUPPLIES	1,204,945	791,312	595,636	2,591,893
DEPRECIATION	440,864	108,115	28,798	577,777
TOTAL OPERATING EXPENSES	1,645,809	899,427	624,434	3,169,670
OPERATING INCOME (LOSS)	(399,098)	225,589	87,529	(85,980)
NONOPERATING REVENUES (EXPENSE)				
INTEREST AND RENT INCOME	72,886	6,480	-	79,366
INTEREST EXPENSE	(93,198)	(12,171)	(662)	(106,031)
GRANTS AND OTHER	-	-	(80,000)	(80,000)
NONRECURRING REVENUE	21,077	-	173,953	195,030
TOTAL NONOPERATING REVENUES (EXPENSES)	765	(5,691)	93,291	88,365
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS, TRANSFERS, AND SPECIAL ITEM	(398,333)	219,898	180,820	2,385
CAPITAL CONTRIBUTIONS	42,000	-	-	42,000
TRANSFERS	-	-	(124,048)	(124,048)
SPECIAL ITEM	-	-	(30,300)	(30,300)
CHANGE IN NET POSITION	(356,333)	219,898	26,472	(109,963)
NET POSITION JANUARY 1	6,327,846	3,240,113	894,985	10,462,944
NET POSITION DECEMBER 31	$ 5,971,513	$ 3,460,011	$ 921,457	$ 10,352,981

SEE NOTES TO FINANCIAL STATEMENTS

CITY OF ROCKY FORD, COLORADO

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

	WATER	SEWER	SOLID WASTE DISPOSAL	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
CASH RECEIVED FROM CUSTOMERS	$ 1,252,281	$ 1,119,865	$ 714,589	$ 3,086,735
CASH PAYMENTS TO SUPPLIERS OF GOODS OR SERVICES	(763,363)	(356,600)	(223,995)	(1,343,958)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(436,648)	(435,261)	(373,818)	(1,245,727)
NET CASH PROVIDED BY OPERATING ACTIVITIES	52,270	328,004	116,776	497,050
CASH FLOWS FROM NONCAPITAL AND OTHER FINANCING ACTIVITIES				
INTERFUND ACTIVITY	(676,546)	(831,185)	(549,306)	(2,057,037)
CUSTOMER DEPOSITS	7,950	-	173,953	181,903
OTHER	21,077	6,480	(80,000)	(52,443)
NET CASH PROVIDED BY NONCAPITAL AND OTHER FINANCING ACTIVITIES	(647,519)	(824,705)	(455,353)	(1,927,577)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
CAPITAL CONTRIBUTED	42,000	-	-	42,000
ACQUISITION OF CAPITAL ASSETS	(170,556)	(620,421)	-	(790,977)
LOAN PROCEEDS	-	677,760	-	677,760
PRINCIPAL PAID ON TERM LIABILITIES	(119,392)	(119,908)	(45,062)	(284,362)
INTEREST PAID	(93,734)	(12,285)	(827)	(106,846)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(341,682)	(74,854)	(45,889)	(462,425)
CASH FLOWS FROM INVESTING ACTIVITIES				
INTEREST INCOME AND OTHER	72,886	-	-	72,886
PURCHASE OF INVESTMENTS	(1,041,242)	(503,130)	-	(1,544,372)
NET CASH USED FOR INVESTING ACTIVITIES	(968,356)	(503,130)	-	(1,471,486)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,905,287)	(1,074,685)	(384,466)	(3,364,438)
CASH AND CASH EQUIVALENTS BEGINNING	2,579,601	1,308,745	877,042	4,765,388
CASH AND CASH EQUIVALENTS ENDING	$ 674,314	$ 234,060	$ 492,576	$ 1,400,950
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
OPERATING INCOME (LOSS)	$ (399,098)	$ 225,589	$ 87,529	$ (85,980)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION	440,864	108,115	28,798	577,777
CHANGE IN ASSETS AND LIABILITIES				
ACCOUNTS RECEIVABLE	5,570	(5,151)	2,626	3,045
INVENTORIES AND PREPAIDS	5,146	1,169	-	6,315
ACCOUNTS PAYABLE	1,971	464	340	2,775
ACCRUED SALARIES AND BENEFITS	(2,183)	(2,182)	(2,517)	(6,882)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 52,270	$ 328,004	$ 116,776	$ 497,050

SEE NOTES TO FINANCIAL STATEMENTS

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

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

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

Related Organizations:

Rocky Ford Housing Authority

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

Joint Venture:

Otero County Landfill, Inc.

The City of Rocky Ford is a participant along with six other entities within the County in a joint venture known as the Otero County Landfill, Inc. As a participant, the City is responsible for a portion of closure and post-closure costs of the landfill. As of December 31, 2025, the City's share of the closure and post-closure costs are estimated at $191,600 or approximately 8.96% of the total. A complete financial report may be obtained from the administrative offices of Otero County. The City also incurred additional costs of approximately $68,780 for services provided by Otero County Landfill, Inc.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

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

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

STEWARDSHIP

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

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

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Expenditures may not legally exceed appropriations at the fund level. For the year ended December 31, 2025, expenditures exceeded appropriations in the Grand Theater Fund, Water Utility Fund and Solid Waste Disposal Utility Fund.

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

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

The following provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of net position of the proprietary fund that sums to the total of the same such amount shown in the statement of cash flow:

	Water Utility Fund	Sewer Utility Fund	Solid Waste Disposal Utility Fund
Cash and Cash Equivalents	$ 50,242	$ 169,080	$ 492,576
Restricted Assets	624,072	64,980	-
Total Cash, Cash Equivalents, and Restricted Cash shown in the Statement of Cash Flows	$ 674,314	$ 234,060	$ 492,576

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

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

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

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

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

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

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

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

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

LEASED ASSETS – RIGHT-TO-USE ASSETS

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

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

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

DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category which is for pension related amounts.

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

Difference Between Expected and Actual Experience	$ 31,944
Changes of Assumptions or Other Inputs	613
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	8,976
Contributions Made Subsequent to the Measurement Date	13,300
Total Pension Related Deferred Outflows	$ 54,833

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category.

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

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEFERRED OUTFLOWS / INFLOWS OF RESOURCES (Continued)

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

Difference Between Expected and Actual Experience	$ 542
Changes of Assumptions or Other Inputs	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	6,545
Total Pension Related Deferred Inflows	$ 7,087

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

COMPENSATED ABSENCES

The City recognizes a liability for compensated absences in accordance with the provisions of GASB Statement No. 101, *Compensated Absences*. Under this standard, a liability is reported for leave that is attributable to services already rendered, is to be used for time off, and is more likely than not to be used for time off or otherwise paid.

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The unused vacation and sick pay benefits are valued based on a combination of hours accumulated, the employee's pay rate, and estimated likelihood that the hours will be utilized or paid out in the future. All vacation and sick pay are accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and will be liquidated with resources of the general fund.

LONG-TERM OBLIGATIONS

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

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

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

UNEARNED REVENUE

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

NET POSITION / FUND BALANCE

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

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

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

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

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION / FUND BALANCE (Continued)
GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

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

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

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

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

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

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

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

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

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

INTERFUND TRANSACTIONS
Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

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

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

NOTE -2 DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits
Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2025, the carrying value of cash deposits was $1,807,131 and the bank balances were $2,182,778 of which $527,964 was covered by federal deposit insurance and the remaining balance was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

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

Investments
At December 31, 2025, the City had the following investments:

	Investments	Maturities	Fair Value
COLO Trust	External Investment Pool	Under 60 Day Avg.	$ 1,544,372

The carrying amount is reflected in the accompanying financial statements as follows:

Governmental Activities - Investments	$ -
Business-Type Activities – Investments	1,544,372
	$ 1,544,372

COLO Trust - During the year, the City invested in ColoTrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The state Securities Commission 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 $1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. 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 depositary in connection with direct investments and withdrawals

As of December 31, 2025, the City had invested $1,544,372 in COLOTRUST PLUS+, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of $1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

The City's investments in ColoTrust and money market funds are measured at net asset value. These investments are not subject to the fair value hierarchy. ColoTrust issues a publicly available annual financial report that includes the assets of the City of Rocky Ford, Colorado. That report may be obtained at the ColoTrust website www.colotrust.com.

NOTE -3 RESTRICTED ASSETS

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

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

NOTE -4 CAPITAL ASSETS

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

GOVERNMENTAL ACTIVITIES:

	Balances January 1, 2025	Additions	Deletions	Balances December 31, 2025
Capital assets not being depreciated:				
Construction in Process	$ -	$ -	$ -	$ -
Land	361,407	-	-	361,407
	361,407	-	-	361,407
Capital assets being depreciated:				
Buildings	9,739,524	-	-	9,739,527
Improvements	4,920,905	-	-	4,920,905
Equipment	3,250,980	698,325	-	3,949,305
	17,911,412	698,325	-	18,609,737
Less accumulated depreciation:				
Buildings	(2,672,775)	(279,876)	-	(2,952,651)
Improvements	(2,148,339)	(192,454)	-	(2,340,793)
Equipment	(2,285,958)	(193,837)	-	(2,479,795)
	(7,107,072)	(666,167)	-	(7,773,239)
Leased assets being amortized:				
Equipment	100,252	-	-	100,252
Less accumulated amortization:				
Equipment	(76,747)	(10,096)	-	(86,843)
Governmental Activities Net Capital Assets	$11,189,252	$ 22,062	$ -	$11,211,314

BUSINESS-TYPE ACTIVITIES:

Capital assets not being depreciated:				
Construction in Process	$ 280,537	$ 620,421	$ -	$ 900,958
Capital assets being depreciated:				
Systems and Equipment	24,515,875	170,556	-	24,686,431
	24,796,412	790,977	-	25,587,389
Less Accumulated Depreciation	(15,547,411)	(577,777)	-	(16,125,188)
Business-type Activities Net Capital Assets	$ 9,249,001	$ 213,200	$ -	$ 9,462,201

Depreciation and amortization expense was charged to functions as follows:

Governmental Activities	
General Government	$ 59,959
Public Safety	233,039
Public Works	269,363
Health	2,000
Culture and Recreation	111,902
Total Governmental Activities Depreciation	$ 676,263

NOTE -4 CAPITAL ASSETS (Continued)

Business-Type Activities	
Water	$ 440,864
Sewer	108,115
Solid Waste Disposal	28,798
Total Business-Type Activities Depreciation	$ 577,777

NOTE -5 PROPERTY TAXES AND DEFERRED REVENUES

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

NOTE -6 PENSION FORFEITURE ACCOUNTS

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

NOTE -7 CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the City for the year ended December 31, 2025:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE	CURRENT PORTION
Governmental Activities:					
Lease Payable 1	$ 211,293	$ -	$ (66,426)	$ 144,867	$ 70,349
Lease Payable 2 (Right-to-Use Asset)	24,682	-	(10,339)	14,343	10,733
Lease Payable 3	-	199,745	(28,544)	171,201	35,086
Totals	$ 235,975	$ 199,745	$ (105,309)	$ 330,411	$ 116,168
Business-Type Activities:					
Revenue Bonds-Water	$2,135,224	-	$ (57,315)	$2,077,909	$ 59,484
Lease Payable 1-Water	356,644	-	(112,186)	244,458	118,812
Lease Payable 2-Water	38,974	-	(8,816)	30,158	9,407
Lease Payable 3-Water	-	70,578	(11,653)	58,925	8,281
Loan Payable 1-Sewer	30,778	-	(7,142)	23,636	7,499
Loan Payable 2-Sewer	661,965	-	(77,878)	584,087	77,878
Loan Payable 3-Sewer	366,329	-	(34,888)	331,441	34,888
Loan Payable 4-Sewer	-	677,760	-	677,760	-
Lease Payable-Solid Waste Disposal	45,062	-	(45,062)	-	-
Estimated Closure & Post-Closure Costs	161,300	30,300	-	191,600	19,160
Totals	$3,796,276	$ 778,638	$ (354,940)	$4,219,974	$ 335,409

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

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

Lease Payable 1 – Governmental and Business-Type Activities

The City entered into a Master Tax-Exempt Lease/Purchase Agreement with U.S. Bancorp Government Leasing and Financing, Inc., on March 15, 2012, in the amount of $2,033,000 for professional services and the acquisition of equipment for energy and water conservation measures. The lease is payable in varying annual installments of principal and interest from the Water Utility Fund (63%) and the Governmental Funds (37%) at 3.15% interest per annum beginning March 15, 2013 and maturing March 15, 2027. The lease is collateralized by a security interest constituting a first lien on the equipment. The net book value of the equipment as of December 31, 2025 is $1,010,256 of which $286,707 was reported as a capital asset in Governmental Activities and $723,549 was reported in the Water Utility Fund in Business-Type Activities.

The future lease payments as of December 31, 2025 are as follows:

Year	Principal	Interest	Total
2026	$ 189,160	$ 12,284	$ 201,444
2027	200,165	6,316	206,481
Total	$ 389,325	$ 18,600	$ 407,925

The total lease payable due is $389,325 as of December 31, 2025, of which $144,867 was reported as a long-term obligation in Governmental Activities and $244,458 was reported in the Water Utility Fund in Business-Type Activities.

Lease Payable 2 (Right-to-use-Assets)

The City, as a lessee, has entered into lease agreements involving equipment with lease terms of 5 years. The total costs of these right-to-use lease assets are recorded at $100,252, less accumulated amortization of $86,843. The City has determined that as of December 31, 2025, there is no loss associated with an impairment of the right-to-use lease asset.

The future lease payments as of December 31, 2025 are as follows:

Year	Principal	Interest	Total
2026	$ 10,733	$ 355	$ 11,088
2027	3,610	28	3,638
Total	$ 14,343	$ 383	$ 14,726

Lease Payable 3 – Governmental Activities

The City entered into a Master Equipment Lease Purchase Agreement on May 23, 2025, in the amount of $199,745 for purchase of three 2024 Ford F-150 Police Responders with equipment. The lease is payable in 20 quarterly installments of principal and interest of $12,051.61 at 8.29% interest per annum beginning May 23, 2025 and maturing February 23, 2030. The lease is collateralized by a security interest the vehicles. The net book value of the equipment as of December 31, 2025 is $176,441.

The future lease payments as of December 31, 2025 are as follows:

Year	Principal	Interest	Total
2026	$ 35,086	$ 13,120	$ 48,206
2027	38,086	10,120	48,206
2028	41,346	6,860	48,206
2029	44,876	3,330	48,206
2030	11,807	245	12,052
Total	$ 171,201	$ 33,675	$ 204,876

Revenue Bonds - Water

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

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

Revenue Bonds – Water (Continued)

Annual requirements to amortize water revenue bonds outstanding as of December 31, 2025 are as follows:

Year	Rate	Principal	Interest	Total
2026	3.75	$ 59,484	$ 77,348	$ 136,832
2027	3.75	61,736	75,096	136,832
2028	3.75	63,868	72,964	136,832
2029	3.75	66,490	70,342	136,832
2030	3.75	69,007	67,825	136,832
2031-2035	3.75	386,052	298,108	684,160
2036-2040	3.75	464,785	219,375	684,160
2041-2045	3.75	559,874	124,286	684,160
2046-2048	3.75	346,613	20,208	366,821
Total		$2,077,909	$1,025,552	$3,103,461

Lease Payable 2 – Water

The City in the Water Utility Fund entered into a government obligation contract (lease agreement) with Unified Fleet Services, LLC on July 16, 2024 in the amount of $50,405 to lease a Chevy 1500 Silverado. The lease is payable in annual principal and interest installments of $11,431 at 5.06% per annum beginning October 6, 2024 with final payment made July 16, 2029. The lease is collateralized by the equipment with a net book value of $36,124 as of December 31, 2025.

The future lease payments as of December 31, 2025 are as follows:

Year	Principal	Interest	Total
2026	$ 9,407	$ 2,024	$ 11,431
2027	10,039	1,392	11,431
2028	10,712	719	11,431
Total	$ 30,158	$ 4,135	$ 34,293

Lease Payable 3 – Water

The City in the Water Utility Fund entered into a government obligation contract (lease agreement) with Unified Fleet Services, LLC on February 28, 2025 in the amount of $70,578 to lease a 3500 GMC Sierra. The lease is payable in three annual principal and interest payments of $11,999 and two annual principal and interest payments of $22,921at 5.06% per annum beginning March 27, 2025, with final payment made March 27, 2029. The lease is collateralized by the equipment with a net book value of $58,815 as of December 31, 2025.

The future lease payments as of December 31, 2025 are as follows:

Year	Principal	Interest	Total
2026	$ 8,281	$ 3,718	$ 11,999
2027	8,803	3,196	11,999
2028	20,281	2,640	22,921
2029	21,560	1,361	22,921
Total	$ 58,925	$ 10,915	$ 69,840

Loan Payable1 - Sewer

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

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

Loan Payable1 – Sewer (Continued)

Annual requirements to amortize the loan as of December 31, 2025 are as follows:

Year	Principal	Interest	Total
2026	$ 7,499	$ 1,181	$ 8,680
2027	7,872	808	8,680
2028	8,265	415	8,680
Total	$ 23,636	$ 2,404	$ 26,040

Loan Payable 2 - Sewer

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

Annual requirements to amortize the loan as of December 31, 2025 are as follows:

Year	Principal	Interest	Total
2026	$ 77,878	$ -	$ 77,878
2027	77,878	-	77,878
2028	77,878	-	77,878
2029	77,878	-	77,878
2030	77,878	-	77,878
2031-2033	194,697	-	194,697
Total	$ 584,087	$ -	$ 584,087

Loan Payable 3 - Sewer

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

Annual requirements to amortize the loan as of December 31, 2025 are as follows:

Year	Principal	Interest	Total
2026	$ 34,888	$ -	$ 34,888
2027	34,888	-	34,888
2028	34,888	-	34,888
2029	34,888	-	34,888
2030	34,888	-	34,888
2031-3035	157,001	-	157,001
Total	$ 331,441	$ -	$ 331,441

In connection with Loan Payable 2- Sewer and Loan Payable 3- Sewer, the City is subject to various covenants and is required to maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation. As of December 31, 2025 the City was in compliance with all covenants and maintained the required reserve of $197,900.

Loan Payable 4 - Sewer

The City in the Sewer Utility Fund entered into a loan agreement with CoBank not to exceed $1,700,000 with a 5.9% interest rate. The purpose of the commitment is to provide interim financing for capital expenditures for the sewer collection systems improvement project. Interest is payable monthly beginning October 31, 2025 and the loan matures September 30, 2028. The loan is collateralized by a lien on the Sewer Utility Fund revenues. The outstanding balance as of December 31, 2025 is $677,760.

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

Lease Payable – Solid Waste Disposal

The City in the Solid Waste Disposal Utility Fund entered into a lease agreement with Midland States Bank on September 18, 2020 in the amount of $251,279 to lease a 2021 Kenworth T370 garbage truck and a load master legacy 20yd rear loader. The lease is payable in monthly principal and interest installments of $4,524 at 3.08% per annum beginning October 18, 2020 with final payment made September 18, 2025. The lease is collateralized by the equipment with a net book value of $118,311 as of December 31, 2025. The loan was paid in full in 2025.

Estimate Closure and Postclosure Care Costs

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

Based on the current allocation, the City's share is approximately 8.96% of the estimated $2,137,000 in closure and post-closure costs amounting to $191,600. These amounts are based on estimates of what it would cost to perform all closure and post-closure care in 2025. Actual costs may be higher or lower due to inflation or deflation, changes in technology, or changes in applicable laws or regulations.

The estimated closure and post closure costs increased from 2024 to 2025 therefore increasing the City's allocation by $30,300 from the prior year which is reported as a special item on the statement of activities and statement of revenues, expenses and changes in net position in the Solid Waste Disposal Utility Fund.

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

			OTERO #2		
	Manzanola	Otero #1	Module #1	Module #2	Module #3
Percent of capacity	100%	100%	85%	84%	50%
Estimated closure date	2026	Closed	2028	2028	2035
Estimated final Monitoring date	-	2049	-	-	-

NOTE -8 PENSION PLANS

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

VOLUNTEER FIRE DEPARTMENT PENSION FUND – DEFINED BENEFIT PLAN

Summary of Significant Accounting Policies

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

The net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the Volunteer Fire Department Pension Fund has been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

NOTE -8 PENSION PLANS (Continued)

Investments - Investments are reported at fair value.

Plan Information

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

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

The following is a summary of the participants:

Active Members	22
Retirees and Beneficiaries	5
Inactive, Nonretired Members	1
Total	28

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

The Rocky Ford Fire Volunteers Pension Fund provides retirement benefits to Firefighters who have attained both 50 years of age and completed 20 years of service. The retiree shall receive a $100 per month retirement benefit when fully vested.

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

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

Contributions

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

The contribution rate for members and the City for the Rocky Ford Volunteer Fire Department Pension Fund is 0% of covered salaries. Contribution was determined as part of the January 1, 2023 actuarial valuation. Total contribution for the year ended December 31, 2025 was $27,115 and the actuarially determined contribution was $3,067.

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

This funding policy results in the expectation that the plan’s assets will be able to fully pay for promised benefits through at least 2124. The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

NOTE -8 PENSION PLANS (Continued)

Timing of the Valuation

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

The total pension liability shown in this report is based on an actuarial valuation performed as of January 1, 2025 and a measurement date of December 31, 2024. This measurement date is within one year of the plan sponsor's fiscal year end of December 31, 2025 and may be used for December 31, 2025 reporting purposes.

Expense and deferred outflow calculations are shown starting with the year ending December 31, 2024, but can be used for the plan sponsor's December 31, 2025 financial reporting. Each reported amount will have a one-year lag so that year end December 31, 2023 can be used for December 31, 2025 plan sponsor reporting.

Actuarial Assumptions

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2023 determines the contribution amounts for 2024 and 2025.

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2024:

Actuarial Cost Method – Entry Age Normal
Amortization Method – Level Dollar, Open*
Remaining Amortization Period – 20 years*
Asset Valuation Method – 5-Year smoothed fair value
Inflation – 2.50%
Salary Increases – N/A
Investment Rate of Return – 7.00%
Retirement Age – 50% per year of eligibility until 100% at age 65
Mortality Rates – Pre-retirement: Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality.
Post-retirement: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale. Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

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

The actuarial assumptions shown above are associated with the Actuarially Determined Contribution for the Fiscal Year Ending December 31, 2023. The actuarial assumptions were changed for the Actuarial Valuation as of January 1, 2023 and as such, the Total Pension Liability was measured using those assumptions. Please see the comprehensive summary in the funding valuation as of January 1, 2023 for assumptions used to measure the Total Pension Liability as of December 31, 2023.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

NOTE -8 PENSION PLANS (Continued)

Long-Term Expected Return on Plan Assets (Continued)

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Liquidity	4.00%	4.2%
Fixed Income – Rates	7.00%	5.0%
Fixed Income – Credit	7.00%	6.5%
Diversifiers	9.00%	5.7%
Long Short	6.00%	6.2%
Global Equity	33.00%	7.0%
Private Markets	34.00%	8.8%
Total	100.00%	

Incorporation of Plan Changes

The Total Pension Liability as of December 31, 2024 includes any plan changes through that date. If there were any plan changes effective during the year ending December 31, 2024, the increase in the Total Pension Liability will be reflected in the “Benefit Changes” item as well as the Pension Expense.

Net Pension Liability (Asset)

The net pension liability (asset) was measured at December 31, 2024, the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation dated January 1, 2025, and the City’s fiscal year ending date, or reporting date, is December 31, 2025.

Changes in Net Pension Liability (Asset):

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at December 31, 2024	$ 125,004	$ 132,024	$ (7,020)
Change for the year:			
Service Cost	1,455	-	1,455
Interest	8,551	-	8,551
Benefit Changes	-	-	-
Difference between Expected & Actual Experience	-	-	-
Changes in Assumptions	34,040	-	34,040
Contributions – Employer	-	20,300	(20,300)
Contributions – Member	-	-	-
Net Investment Income	-	12,794	(12,794)
Benefit payments	(7,260)	(7,260)	-
Other Changes	-	-	-
Administrative Expense	-	(5,671)	5,671
Supplemental Discretionary Payment	-	6,815	(6,815)
Net Changes	36,786	26,978	9,808
Balances at December 31, 2025	$ 161,790	$ 159,002	$ 2,788

Single Discount Rate

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

NOTE -8 PENSION PLANS (Continued)

Single Discount Rate (Continued)

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 4.08% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

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

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

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

	1% Decrease (6.00%)	Current Single Discount Rate Assumption (7.00%)	1% Increase (8.00%)
Net Pension Liability	$ 25,540	$ 2,788	$ (15,635)

Pension Plan Fiduciary Net Position

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

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

For the year ended December 31, 2025; the City recognized pension revenue of $8,042. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 31,944	$ 542
Assumption Changes	613	-
Net difference between projected and actual earnings on pension plan investments	8,976	6,545
Contributions subsequent to the measurement date	13,300	-
Total	$ 54,833	$ 7,087

$13,300 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

Year ended December 31, 2025:	
2026	$ 7,658
2027	9,670
2028	5,450
2029	5,043
2030	5,483
Thereafter	1,142
Total	$ 34,446

NOTE -8 PENSION PLANS (Continued)

STATEWIDE DEATH AND DISABILITY PLAN

Plan Description

The District contributes to the Statewide Death and Disability Plan (D&D Plan) administered by the FPPA. The D&D Plan is a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado. As of August 5, 2003, the D&D Plan may include part-time police and fire employees. Contributions to the D&D Plan are used for the payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the D&D Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Defined Benefit System and the Statewide Death & Disability Plan. The D&D Plan was established in 1980 pursuant to Colorado Revised Statutes and currently has 270 participating employer departments. Included in that number are 7 contributing employers as of December 31, 2022, who are covered by Social Security and have elected supplementary coverage by the D&D Plan.

The D&D Plan assets are included in the Fire & Police Members' Benefit Investment Fund Long-Term Pool. The Long-Term Pool is designed primarily for open plans with a longer time horizon, higher risk tolerance, and lower liquidity needs. The investment return assumption is 7.0%.

D&D Plan benefits provide 24-hour coverage, both on- and off-duty and are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan. In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that a member's disability is determined to be the result of an on-duty injury or an occupational disease. The FPPA issues a publicly available financial report that may be obtained at www.fppaco.org.

Benefits Provided

Benefits are established by Colorado statute. If a member dies prior to normal retirement eligibility while off-duty, the surviving spouse shall receive a benefit equal to 40 percent of the monthly base salary paid to the member prior to death. An additional 10 percent of base salary is payable if a surviving spouse has two or more dependent children. If there is no surviving spouse, but the member had one or two dependent children, the benefit payable is 40 percent of the member's monthly base salary. If there is no spouse but three or more dependent children, the benefit equals 50 percent of the member's monthly base salary.

As of October 15, 2002, if a member dies prior to retirement while on-duty; the surviving spouse shall receive a benefit equal to 70 percent of the member's monthly base salary regardless of the number of dependent children. If there is no spouse but one or more dependent children living in the member's household the benefit equals 70 percent of the member's monthly base salary. If there are dependent children without a surviving spouse, and they do not live in the household, the benefit is 40 percent for the first child and 15 percent for each additional child, but not greater than 70 percent in total of the member's monthly base salary. Benefits will be paid to the spouse until death and to dependent children until age 23, death, marriage or other termination of dependency. Benefits may be extended for an incapacitated child.

For purposes of this D&D Plan, a spouse includes a partner in a civil union. These benefits are offset by Money Purchase account balances, Stabilization Reserve Accounts (SRA) and Deferred Retirement Option Plan accounts, converted to annuities.

The D&D Plan provides the members with two types of disability: occupational and total.

Occupational Disability means a member is unable to perform their assigned duties due to a medical condition that is expected to last at least one year. Assigned duties are those specific tasks or job duties that a member is required to regularly perform. Within the Occupational Disability category, there are two sub-categories: Temporary Occupational Disability and Permanent Occupational Disability.

Temporary Occupational Disability is an occupational disability for which there is prognosis for improvement or recovery through surgical treatment, counseling, medication, therapy or other means.

NOTE -8 PENSION PLANS (Continued)

Benefits Provided (Continued)

Permanent Occupational Disability is an occupational disability caused by a condition that is permanent or degenerative and for which there is no prognosis for improvement or recovery through surgical treatment, counseling, medication, therapy or other means.

Total Disability means the member is unable to engage in any substantial gainful activity due to a medically determined physical or mental impairment that may be expected to result in death or that has lasted or is expected to last at least 1 year.

A member who becomes disabled prior to normal retirement eligibility shall be eligible for disability benefits. If the member is totally disabled, the member shall receive 70 percent of their base salary preceding disability.

If the member is occupationally disabled and their disability is determined to be a permanent occupational disability, the member shall receive 50 percent of their base salary preceding disability regardless of their family status. If the member is occupationally disabled and the disability is determined to be a temporary occupational disability, the member shall receive 40 percent of their base salary preceding disability regardless of their family status for up to five years.

Total disability and permanent occupational disability benefits are offset by the Money Purchase, SRA or DROP balances, converted to annuities. For member's who also participate in Social Security, disability benefits are reduced by Social Security disability benefits derived from employment as a member, if applicable.

Temporary Occupational Disability benefits are payable for a maximum of five years. Permanent Occupational and Total Disability benefits are payable as long as the member remains disabled.

A cost of living adjustment of up to 3 percent may be granted to members and spouses by the Fire & Police Pension Association Board of Directors annually. Totally disabled members and their beneficiaries receive an automatic benefit adjustment each year of 3 percent. The cost of living adjustment is effective October 1. A cost of living adjustment may begin after receiving benefits for at least 12 calendar months prior to October 1.

Contributions

Prior to 1997, the D&D Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of $39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. During 2022, C.R.S. 31-31-811 was amended to provide additional payments from the State to the D&D Plan on July 1, 2022 and July 1, 2023 of $6,650,000 each.

Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to this D&D Plan as of January 1, 1997. Effective January 1, 2022, the contribution rate increased to 3.2 percent of base salary and may be increased 0.2 percent annually by the FPPA Board. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The contribution may be paid entirely by the employer or member, or may be split between the employer and the member as determined at the local level. Contributions to the D&D Plan were $44,227 for the year ended December 31, 2025.

FIRE DEFINED CONTRIBUTION PLAN AND POLICE DEFINED CONTRIBUTION PLAN

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

NOTE -8 PENSION PLANS (Continued)

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

Funding Policy - The City's total Fire and Police payroll for 2025 was $1,268,753 and $492,598, respectively. The City's contributions to the Fire and Police were calculated using a base salary amount of $717,468 and $464,314, respectively. Both City and the covered employees made the required 8 percent contribution (or more), amounting to a total contribution of $111,209 for the City of Rocky Ford Fire Department Money Purchase Plan and $64,151 for the City of Rocky Ford Police Department Money Purchase Plan. As of December 31, 2025, the market value of assets held by the plans are $823,964 for Fire and $439,111 for Police.

CITY RETIREMENT – DEFINED CONTRIBUTION PLAN

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

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

Funding Policy - The City's total payroll in fiscal year 2025 was $3,701,458. The City's contributions were calculated using the base salary amount of $2,855,458. Both the City and the covered employees made the required contribution amounting to $121,824. As of December 31, 2025, the market value of assets held was $946,873.

CITY 457(b) – DEFINED CONTRIBUTION PLAN

Plan Description - The City provides pension benefits for all its full-time employees through a defined contribution plan administered by Empower Trust Company, LLC. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after attaining age 18 and having been employed one year. The plan entrance dates are January 1 and July 1. The plan allows employees to contribute any amount they choose with no City matching contribution.

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

Funding Policy - The City's total payroll in fiscal year 2025 was $3,701,458. Total contributions made in 2025 to the plan by participants was $54,519. As of December 31, 2025, the market value of assets held was $192,627.

NOTE -9 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Receivables and Payables:
During the course of operations, numerous transactions occur between the City's funds for the reimbursement of expenditures. Related interfund receivables and payables are classified as "interfund receivables" and "interfund payables" on the balance sheet and statement of net position and will be settled within one year. The composition of due to / from other funds as of December 31, 2025 is as follows:

Receivable Fund	Payable Fund	Amount
Water Utility Fund	General Fund	$ 676,546
Sewer Utility Fund	General Fund	831,185
Solid Waste Disposal Utility Fund	General Fund	425,258
		$ 1,932,989

Receivable Fund	Payable Fund	Amount
Community Development Fund	Grand Theater Fund	$ 5,957

Interfund Transfers:
Transfers are for the use of unrestricted revenues collected in the enterprise funds to finance various programs accounted for in other funds in accordance with council authorizations. The composition of interfund transfers as of December 31, 2025 is as follows:

Transfer To	Transfer From	Amount
General Fund	Solid Waste Disposal Utility Fund	$ 124,048

NOTE -10 NET POSITION

Restricted net position represents net position whose users are subject to constraints that are either 1.) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or 2.) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2025 is as follows:

	Governmental Activities	Business-Type Activities	Total
Operations and Maintenance	$ -	$ 197,900	$ 197,900
Conservation Trust	51,005	-	51,005
Future Expenditures	380,304	689,052	1,069,356
Emergencies - TABOR	157,800	-	157,800
	$ 589,109	$ 886,952	$ 1,476,061

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

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

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

Restricted for Emergencies - TABOR – This represents approximately 3% of the City's 2025 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the City's net position can be used for declared emergencies only and the City must maintain 3% or more of its spending in this restricted account. The City does not believe this restriction meets the definition of a stabilization arrangement under generally accepted accounting principles.

NOTE -11 FUND BALANCES

At December 31, 2025, fund balances for governmental funds consist of the following:

	Restricted Fund Balance			
	Emergences TABOR	Future Expenditures	Conservation Trust	Total
General Fund	$ 157,800	$ -	$ -	$ 157,800
Capital Improvement Fund	-	380,304	-	380,304
Conservation Trust Fund	-	-	51,005	51,005
Total	$ 157,800	$ 380,304	$ 51,005	$ 589,109

NOTE -12 DEFICIT FUND BALANCES AND BUDGET DEFICITS

Deficit Fund Balances

Grand Theater Fund - The Grand Theater Fund had a deficit fund balance at December 31, 2025 of ($2,250). This deficit will be financed through future revenues of the fund.

General Fund - As of December 31, 2025, the City reported a deficit fund balance in the General Fund of $719,084. The deficit resulted primarily from the Public Safety category within the government's General Fund, which includes Police, Fire, Ambulance, Dispatch, Wildland Fire, and Interfacility Transport (IFT) services, experiencing an increase of approximately $1.9 million in expenditures since 2022 without a sufficient corresponding increase in revenues, which includes tax revenues, to cover the increase in expenditures.

Management has developed a plan to address the deficit, which includes a proposed increase in sales tax restricted for Public Safety and the adoption of a budget that accurately reflects the revenues available and expenditures that are within the budged revenues. Management believes these actions will improve the General Fund's financial position in future periods.

Budget Deficits

General Fund - During 2025, within the General Fund, the Police Department, Wildland Fire Department, and Ambulance Department (all reported in Public Safety) exceeded their budgets by $201,018, $2,295 and $225,611, respectively.

NOTE -13 RISK MANAGEMENT

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

For risks related to property and liability and workers' compensation, the City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, section 18(2). The purposes of CIRSA are to provide members defined liability and property coverage and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

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

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

NOTE -13 RISK MANAGEMENT (Continued)

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

NOTE -14 CONTINGENCIES AND COMMITMENTS

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

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

NOTE -15 TAX SPENDING AND DEBT LIMITATIONS

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

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). A portion of the fund balance has been restricted in compliance with this requirement. At December 31, 2025, $157,800 of the fund balance has been restricted.

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

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

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

NOTE -16 RELATED PARTY TRANSACTIONS

As indicated in Note -1, the City entered into an intergovernmental agreement with Otero County Landfill, Inc. (OCLI) regarding a landfill operation. For the year ended December 31, 2025, the City had expenditures of approximately $68,780 to OCLI for its share of the costs of which $0 was due and recorded as accounts payable in the Solid Waste Disposal Utility Fund. The City has recognized $191,600 for its share of estimated closure and post closure care costs.

NOTE -17 SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROCKY FORD, COLORADO

VOLUNTEER FIRE DEPARTMENT PENSION FUND

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

YEAR ENDED DECEMBER 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
MEASUREMENT PERIOD ENDING	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
TOTAL PENSION LIABILITY										
SERVICE COST	$ 1,455	$ 1,455	$ 363	$ 363	$ 432	$ 432	$ 460	$ 460	$ 442	$ 442
INTEREST	8,551	8,449	1,663	1,895	1,934	1,844	1,984	1,906	1,847	1,797
BENEFIT CHANGES	-	-	96,501	-	-	-	-	-	-	-
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	34,040	-	6,627	-	(1,927)	-	(2,631)	-	(761)	-
ASSUMPTION CHANGES	-	-	1,201	-	-	-	1,275	-	679	-
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(7,260)	(9,605)	(10,280)	(1,030)	(900)	(1,075)	(1,275)	(1,375)	(1,488)	(1,665)
NET CHANGE IN TOTAL PENSION LIABILITY	36,786	299	96,075	1,228	(461)	1,201	(187)	991	719	574
TOTAL PENSION LIABILITY - BEGINNING	125,004	124,705	28,630	27,402	27,863	26,662	26,849	25,858	25,139	24,565
TOTAL PENSION LIABILITY - ENDING (a)	161,790	125,004	124,705	28,630	27,402	27,863	26,662	26,849	25,858	25,139
PLAN FIDUCIARY NET POSITION										
CONTRIBUTIONS - EMPLOYER	20,300	-	10,035	4,947	2,883	2,637	2,727	3,326	2,411	2,515
CONTRIBUTIONS - EMPLOYEE	-	-	-	-	-	-	-	-	-	-
NET INVESTMENT INCOME	12,794	12,419	(12,112)	18,861	14,602	13,980	73	13,318	4,679	1,483
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(7,260)	(9,605)	(10,280)	(1,030)	(900)	(1,075)	(1,275)	(1,375)	(1,488)	(1,665)
ADMINISTRATIVE EXPENSES	(5,671)	(6,098)	(4,528)	(4,092)	(3,542)	(6,599)	(7,529)	(6,739)	(414)	(1,270)
STATE FUNDING	6,815	-	4,452	4,967	2,454	2,993	-	2,170	1,816	1,816
NET CHANGE IN PLAN FIDUCIARY NET POSITION	26,978	(3,284)	(12,433)	23,653	15,497	11,936	(6,004)	10,700	7,004	2,879
PLAN FIDUCIARY NET POSITION - BEGINNING	132,024	135,308	147,741	124,088	108,591	96,655	102,659	91,959	84,955	82,076
PLAN FIDUCIARY NET POSITION - ENDING (b)	159,002	132,024	135,308	147,741	124,088	108,591	96,655	102,659	91,959	84,955
NET PENSION LIABILITY (ASSET) - ENDING	$ 2,788	$ (7,020)	$ (10,603)	$ (119,111)	$ (96,686)	$ (80,728)	$ (69,993)	$ (75,810)	$ (66,101)	$ (59,816)
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (b) / (a)	98.28%	105.62%	108.50%	516.04%	452.84%	389.73%	362.52%	382.36%	355.63%	337.94%
COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PLAN'S NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

CITY OF ROCKY FORD, COLORADO

VOLUNTEER FIRE DEPARTMENT PENSION FUND

SCHEDULE OF PLAN CONTRIBUTIONS

YEAR ENDED DECEMBER 31, 2025

PLAN YEAR ENDED DECEMBER 31,	ACTUARIALLY DETERMINED CONTRIBUTION	ACTUAL CONTRIBUTION*	CONTRIBUTION DEFICIENCY (EXCESS)	COVERED PAYROLL	ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL
(a)	(b)	(c)	(d) = (b) - (c)	(e)	(f)
2024	$ 3,067	$ 27,115	$ (24,048)	N/A	N/A
2023	$ 7,521	$ -	$ 7,521	N/A	N/A
2022	$ 7,521	$ 14,487	$ (6,966)	N/A	N/A
2021	$ 302	$ 10,035	$ (9,733)	N/A	N/A
2020	$ 302	$ 4,947	$ (4,645)	N/A	N/A
2019	$ 302	$ 5,035	$ (4,733)	N/A	N/A
2018	$ -	$ 5,630	$ (5,630)	N/A	N/A
2017	$ -	$ 2,727	$ (2,727)	N/A	N/A
2016	$ 5,496	$ 5,496	$ -	N/A	N/A
2015	$ 4,227	$ 4,227	$ -	N/A	N/A

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

CITY OF ROCKY FORD, COLORADO

GENERAL FUND

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

YEAR ENDED DECEMBER 31, 2025

	BUDGET			VARIANCE FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
REVENUES				
TAXES	$ 2,354,306	$ 2,354,306	$ 2,145,082	$ (209,224)
LICENSES AND PERMITS	19,600	19,600	22,814	3,214
INTERGOVERNMENTAL	174,960	174,960	205,408	30,448
CHARGES FOR SERVICES	1,449,000	1,449,000	1,421,574	(27,426)
FINES	25,800	25,800	24,887	(913)
GRANTS	1,252,939	1,252,939	312,762	(940,177)
MISCELLANEOUS	82,127	82,127	79,451	(2,676)
TOTAL REVENUES	5,358,732	5,358,732	4,211,978	(1,146,754)
EXPENDITURES				
GENERAL GOVERNMENT	349,370	349,370	353,077	(3,707)
PUBLIC SAFETY	3,532,385	3,532,385	3,807,142	(274,757)
PUBLIC WORKS	404,231	404,231	426,828	(22,597)
HEALTH AND WELFARE	133,987	133,987	137,584	(3,597)
CULTURE AND RECREATION	1,063,759	1,063,759	536,412	527,347
TOTAL EXPENDITURES	5,483,732	5,483,732	5,261,043	222,689
REVENUES OVER (UNDER) EXPENDITURES	(125,000)	(125,000)	(1,049,065)	(924,065)
OTHER FINANCING SOURCES				
TRANSFER IN	125,000	125,000	124,048	(952)
LEASE PROCEEDS	-	-	199,745	199,745
TOTAL OTHER FINANCING SOURCES	125,000	125,000	323,793	198,793
REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	-	-	(725,272)	(725,272)
FUND BALANCE JANUARY 1	6,188	6,188	6,188	-
FUND BALANCE DECEMBER 31	$ 6,188	$ 6,188	$ (719,084)	$ (725,272)

CITY OF ROCKY FORD, COLORADO

CAPITAL IMPROVEMENT FUND

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

YEARS ENDED DECEMBER 31, 2025

	BUDGET			VARIANCE FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
REVENUES				
SALES TAX	$ 460,000	$ 460,000	$ 480,755	$ 20,755
EXPENDITURES				
STREET REPAIRS	460,000	460,000	259,095	200,905
CAPITAL OUTLAY	-	-	-	-
TOTAL EXPENDITURES	460,000	460,000	259,095	200,905
REVENUES OVER (UNDER) EXPENDITURES	-	-	221,660	221,660
FUND BALANCE JANUARY 1	158,644	158,644	158,644	-
FUND BALANCE DECEMBER 31	$ 158,644	$ 158,644	$ 380,304	$ 221,660

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

Measurement Period: January 1, 2024 - December 31, 2024 for the Fiscal Year Ending December 31, 2025 (December 31, 2024 measurement date). The City elected the one-year lookback for measurement date and measurement period purposes.

NOTE -2 SCHEDULES OF PLAN CONTRIBUTIONS

Actuarial Assumptions

VOLUNTEER FIRE DEPARTMENT PENSION FUND

Valuation Date: January 1, 2023

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2023, determines the contribution amounts for 2024 and 2025.

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

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	-	Entry Age Normal
Amortization Method	-	Level Dollar, Open*
Remaining Amortization Period	-	20 Years*
Asset Valuation Method	-	5-Year smoothed fair value
Inflation	-	2.50%
Salary Increase	-	N/A
Investment Rate of Return	-	7.00%
Retirement Age	-	50% per year of eligibility until 100% at age 65
Mortality (Annuities)	-	Pre-retirement: Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale, 60% multiplier for off-duty mortality.
	-	Post-retirement: Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, projected with the MP-2020 Ultimate projection scale.
	-	Disabled: Pub-2010 Public Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, set forward five years projected with the MP-2020 Ultimate projection scale, with minimum probability of 3.5% for males and 2.5% for females.

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

NOTE -3 PENSION SCHEDULES – EMPLOYER CONTRIBUTIONS

The Schedule of Employer Contributions relates to the District's volunteer pension plan. Covered payroll is not applicable to volunteer pension plans as the nature of the services provided by the volunteers is not compensation-based.

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS

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

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

CITY OF ROCKY FORD, COLORADO

GENERAL FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CASH OR EQUIVALENTS	$ -	$ -
RESTRICTED CASH	37,884	45,743
RECEIVABLES:		
PROPERTY TAXES	349,000	267,000
GRANT	302,314	275,300
OTHER	973,011	673,533
TOTAL ASSETS	$ 1,662,209	$ 1,261,576
LIABILITIES		
ACCOUNTS PAYABLE	$ 10,726	$ 2,702
CHECKS WRITTEN IN EXCESS OF CASH BALANCE	-	802,925
ACCRUED EXPENSES	14,607	13,771
UNEARNED REVENUE	73,971	146,024
INTERFUND PAYABLE	1,932,989	-
DUE TO OTHER ENTITIES	-	22,966
TOTAL LIABILITIES	2,032,293	988,388
DEFERRED INFLOWS OF RESOURCES		
DEFERRED REVENUES - PROPERTY TAXES	349,000	267,000
FUND BALANCE (DEFICIT)		
RESTRICTED FOR		
EMERGENCIES - TABOR	157,800	147,600
UNASSIGNED	(876,884)	(141,412)
TOTAL FUND BALANCE (DEFICIT)	(719,084)	6,188
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE (DEFICIT)	$ 1,662,209	$ 1,261,576

CITY OF ROCKY FORD, COLORADO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUES		
TAXES	$ 2,145,082	$ 2,296,380
LICENSES AND PERMITS	22,814	15,416
INTERGOVERNMENTAL	205,408	200,444
CHARGES FOR SERVICES	1,421,574	1,275,400
FINES	24,887	25,649
GRANTS	312,762	281,800
MISCELLANEOUS	79,451	70,332
TOTAL REVENUES	4,211,978	4,165,421
EXPENDITURES		
GENERAL GOVERNMENT	353,077	334,701
PUBLIC SAFETY	3,807,142	3,354,084
PUBLIC WORKS	426,828	369,901
HEALTH AND WELFARE	137,584	134,492
CULTURE AND RECREATION	536,412	726,746
TOTAL EXPENDITURES	5,261,043	4,919,924
REVENUES OVER (UNDER) EXPENDITURES	(1,049,065)	(754,503)
OTHER FINANCING SOURCES		
TRANSFERS IN	124,048	-
LEASE PROCEEDS	199,745	-
TOTAL OTHER FINANCING SOURCES	323,793	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(725,272)	(754,503)
FUND BALANCE JANUARY 1	6,188	760,691
FUND BALANCE (DEFICIT) DECEMBER 31	$ (719,084)	$ 6,188

CITY OF ROCKY FORD, COLORADO

CAPITAL IMPROVEMENT FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
RESTRICTED CASH	$ 307,173	$ 76,445
OTHER RECEIVABLE	75,481	82,199
TOTAL ASSETS	$ 382,654	$ 158,644
LIABILITIES		
ACCOUNTS PAYABLE	$ 2,350	$ -
TOTAL LIABILITIES	2,350	-
FUND BALANCE		
RESTRICTED FOR FUTURE EXPENDITURES	380,304	158,644
TOTAL FUND BALANCE	380,304	158,644
TOTAL LIABILITIES AND FUND BALANCE	$ 382,654	$ 158,644

CITY OF ROCKY FORD, COLORADO

CAPITAL IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUES		
SALES TAX	$ 480,755	$ 476,525
EXPENDITURES		
STREET REPAIRS	259,095	269,590
CAPITAL OUTLAY	-	86,350
TOTAL EXPENDITURES	259,095	355,940
REVENUES OVER (UNDER) EXPENDITURES	221,660	120,585
FUND BALANCE JANUARY 1	158,644	38,059
FUND BALANCE DECEMBER 31	$ 380,304	$ 158,644

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

CITY OF ROCKY FORD, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2025

	COMMUNITY DEVELOPMENT	CONSERVATION TRUST	GRAND THEATER	TOTAL
ASSETS				
CASH OR EQUIVALENTS	$ 9,969	$ 51,005	$ 150	$ 61,124
ACCOUNTS RECEIVABLE	-	-	4,138	4,138
TOTAL LIABILITIES	$ 9,969	$ 51,005	$ 4,288	$ 65,262
LIABILITIES				
ACCOUNTS PAYABLE	$ -	$ -	$ 581	$ 581
ACCRUED EXPENSE	407	-	-	407
INTERFUND PAYABLE (RECEIVABLE)	(5,957)	-	5,957	-
TOTAL LIABILITIES	(5,550)	-	6,538	988
FUND BALANCE (DEFICIT)				
RESTRICTED	-	51,005	-	51,005
COMMITTED	-	-	-	-
UNASSIGNED	15,519	-	(2,250)	13,269
TOTAL FUND BALANCE (DEFICIT)	15,519	51,005	(2,250)	64,274
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	$ 9,969	$ 51,005	$ 4,288	$ 65,262

CITY OF ROCKY FORD, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

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

YEAR ENDED DECEMBER 31, 2025

	COMMUNITY DEVELOPMENT	CONSERVATION TRUST	GRAND THEATER	TOTAL
REVENUES				
INTERGOVERNMENTAL	$ -	$ 45,935	$ -	$ 45,935
CHARGES FOR SERVICES	19,950	-	91,018	110,968
MISCELLANEOUS	-	3	-	3
TOTAL REVENUES	19,950	45,938	91,018	156,906
EXPENDITURES				
COMMUNITY DEVELOPMENT	9,572	-	-	9,572
CULTURE AND RECREATION	-	23,155	102,235	125,390
TOTAL EXPENDITURES	9,572	23,155	102,235	134,962
REVENUES OVER (UNDER) EXPENDITURES	10,378	22,783	(11,217)	21,944
OTHER FINANCING SOURCES				
TRANSFERS IN	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	10,378	22,783	(11,217)	21,944
FUND BALANCE (DEFICIT) JANUARY 1	5,141	28,222	8,967	42,330
FUND BALANCE (DEFICIT) DECEMBER 31	$ 15,519	$ 51,005	$ (2,250)	$ 64,274

CITY OF ROCKY FORD, COLORADO

COMMUNITY DEVELOPMENT FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CASH OR EQUIVALENTS	$ 9,969	$ 5,548
INTERFUND RECEIVABLE	5,957	-
TOTAL ASSETS	15,926	5,548
LIABILITIES		
ACCRUED EXPENSES	$ 407	$ 407
FUND BALANCE		
UNASSIGNED	15,519	5,141
TOTAL LIABILITIES AND FUND BALANCE	$ 15,926	$ 5,548

CITY OF ROCKY FORD, COLORADO

COMMUNITY DEVELOPMENT FUND

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

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025		VARIANCE FAVORABLE	2024
	ACTUAL	BUDGET	(UNFAVORABLE)	ACTUAL
REVENUES				
RENT AND OTHER	19,950	17,500	2,450	17,850
EVENTS	-	-	-	-
GRANTS	-	-	-	-
TOTAL REVENUES	19,950	17,500	2,450	17,850
EXPENDITURES				
EVENTS	-	-	-	-
OCCUPANCY	9,572	16,335	6,763	9,465
CAPITAL PURCHASES	-	-	-	270
COMMUNITY DEVELOPMENT	-	-	-	-
TOTAL EXPENDITURES	9,572	16,335	6,763	9,735
REVENUES OVER (UNDER) EXPENDITURES	10,378	1,165	9,213	8,115
OTHER FINANCING SOURCES				
TRANSFERS IN	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	10,378	1,165	9,213	8,115
FUND BALANCE (DEFICIT) JANUARY 1	5,141	5,141	-	(2,974)
FUND BALANCE DECEMBER 31	$ 15,519	$ 6,306	$ 9,213	$ 5,141

CITY OF ROCKY FORD, COLORADO

CONSERVATION TRUST FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CASH OR EQUIVALENTS	$ 51,005	$ 28,222
LIABILITIES		
ACCOUNTS PAYABLE	$ -	$ -
FUND BALANCE		
RESTRICTED	51,005	28,222
TOTAL LIABILITIES AND FUND BALANCE	$ 51,005	$ 28,222

CITY OF ROCKY FORD, COLORADO

CONSERVATION TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025		VARIANCE FAVORABLE	2024
	ACTUAL	BUDGET	(UNFAVORABLE)	ACTUAL
REVENUES				
INTERGOVERNMENTAL	$ 45,935	$ 50,000	$ (4,065)	$ 46,748
INTEREST	3	-	3	8
TOTAL REVENUES	45,938	50,000	(4,062)	46,756
EXPENDITURES				
RECREATION AND MAINTENANCE	23,155	49,800	26,645	59,167
REVENUES OVER (UNDER) EXPENDITURES	22,783	200	22,583	(12,411)
FUND BALANCE JANUARY 1	28,222	28,222	-	40,633
FUND BALANCE DECEMBER 31	$ 51,005	$ 28,422	$ 22,583	$ 28,222

CITY OF ROCKY FORD, COLORADO

GRAND THEATER FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CASH OR EQUIVALENTS	$ 150	$ 11,173
ACCOUNTS RECEIVABLE	4,138	-
TOTAL ASSETS	4,288	11,173
LIABILITIES		
ACCOUNTS PAYABLE	$ 581	$ 2,206
INTERFUND PAYABLE	5,957	-
TOTAL LIABILITIES	6,538	2,206
FUND BALANCE (DEFICIT)		
UNASSIGNED	(2,250)	8,967
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	$ 4,288	$ 11,173

CITY OF ROCKY FORD, COLORADO

GRAND THEATER FUND

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

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025		VARIANCE FAVORABLE	2024
	ACTUAL	BUDGET	(UNFAVORABLE)	ACTUAL
REVENUES				
SALES	$ 75,466	$ 80,000	$ (4,534)	$ 85,759
RENT AND OTHER	15,552	8,600	6,952	12,308
TOTAL REVENUES	91,018	88,600	2,418	98,067
EXPENDITURES				
SALARIES & BENEFITS	29,471	26,375	(3,096)	26,288
CONCESSIONS	15,295	10,000	(5,295)	16,003
FILMS	21,532	22,400	868	23,987
LIVE PERFORMANCES	2,250	2,800	550	2,250
REPAIRS	6,219	1,250	(4,969)	456
UTILITIES	14,134	11,700	(2,434)	11,055
OTHER	13,334	12,250	(1,084)	10,169
TOTAL EXPENDITURES	102,235	86,775	(15,460)	90,208
REVENUES OVER (UNDER) EXPENDITURES	(11,217)	1,825	(13,042)	7,859
FUND BALANCE (DEFICIT) JANUARY 1	8,967	8,967	-	1,108
FUND BALANCE (DEFICIT) DECEMBER 31	$ (2,250)	$ 10,792	$ (13,042)	$ 8,967

PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

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

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

CITY OF ROCKY FORD, COLORADO

WATER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
CURRENT ASSETS		
CASH OR EQUIVALENTS	$ 50,242	$ 1,974,595
INVESTMENTS	1,041,242	-
ACCOUNTS RECEIVABLE - BILLED (NET)	126,710	127,180
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	24,600	29,700
PREPAID EXPENSES	18,650	18,567
INTERFUND RECEIVABLE	676,546	-
INVENTORIES - SUPPLIES & MATERIALS	43,072	46,410
INVENTORIES - WATER	35,039	36,930
TOTAL CURRENT ASSETS	2,016,101	2,233,382
RESTRICTED ASSETS		
RESTRICTED CASH	624,072	605,006
PROPERTY AND EQUIPMENT		
LAND, WATER SYSTEM, AND EQUIPMENT - AT COST	17,771,147	17,600,591
ACCUMULATED DEPRECIATION	(11,827,686)	(11,386,822)
NET PROPERTY AND EQUIPMENT	5,943,461	6,213,769
TOTAL ASSETS	$ 8,583,634	$ 9,052,157
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	$ 2,096	$ 125
ACCRUED SALARIES AND BENEFITS	22,772	24,955
ACCRUED INTEREST	19,427	19,963
BONDS PAYABLE - CURRENT MATURITY	59,484	57,315
LEASES PAYABLE - CURRENT MATURITY	136,500	121,002
TOTAL CURRENT LIABILITIES	240,279	223,360
TERM LIABILITIES		
BONDS PAYABLE	2,018,425	2,077,909
LEASES PAYABLE	197,041	274,616
TOTAL TERM LIABILITIES	2,215,466	2,352,525
OTHER LIABILITIES		
CUSTOMER DEPOSITS	156,376	148,426
TOTAL LIABILITIES	2,612,121	2,724,311
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	3,532,011	3,682,928
RESTRICTED FOR FUTURE EXPENDITURES	624,072	605,006
UNRESTRICTED	1,815,430	2,039,912
TOTAL NET POSITION	5,971,513	6,327,846
TOTAL LIABILITIES AND NET POSITION	$ 8,583,634	$ 9,052,157

CITY OF ROCKY FORD, COLORADO

WATER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
CHARGES FOR SERVICES	$ 844,591	$ 913,245
SPECIAL ASSESSMENTS	402,120	437,740
TOTAL OPERATING REVENUES	1,246,711	1,350,985
OPERATING EXPENSES		
SOURCE OF SUPPLY	480,335	504,561
SUPPLY MAINTENANCE	297,420	144,964
DISTRIBUTION AND OPERATING SUPPLIES	121,805	168,781
ACCOUNTING AND GENERAL ADMINISTRATION	305,385	285,588
DEPRECIATION	440,864	427,156
TOTAL OPERATING EXPENSES	1,645,809	1,531,050
OPERATING INCOME (LOSS)	(399,098)	(180,065)
NONOPERATING REVENUES (EXPENSES)		
INTEREST AND RENT INCOME	72,886	35,255
INTEREST EXPENSE	(93,198)	(95,909)
NONRECURRING REVENUE	21,077	329,300
TOTAL NONOPERATING REVENUES (EXPENSES)	765	268,646
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(398,333)	88,581
TRANSFER OUT	-	-
CAPITAL CONTRIBUTIONS	42,000	7,020
CHANGE IN NET POSITION	(356,333)	95,601
NET POSITION JANUARY 1	6,327,846	6,232,245
NET POSITION DECEMBER 31	$ 5,971,513	$ 6,327,846

CITY OF ROCKY FORD, COLORADO

WATER UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	$ 1,252,281	$ 1,344,089
CASH PAYMENTS TO SUPPLIERS OF GOODS OR SERVICES	(763,363)	(716,351)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(436,648)	(411,661)
NET CASH PROVIDED BY OPERATING ACTIVITIES	52,270	216,077
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
INTERFUND ACTIVITY	(676,546)	-
CUSTOMER DEPOSITS	7,950	9,275
OTHER	21,077	329,300
NET CASH PROVIDED (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	(647,519)	338,575
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
CAPITAL CONTRIBUTED	42,000	7,020
ACQUISITION OF CAPITAL ASSETS	(170,556)	(50,405)
PRINCIPAL PAID ON BONDS	(57,315)	(55,004)
PRINCIPAL PAID ON LEASE	(62,077)	(66,861)
INTEREST PAID	(93,734)	(96,423)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(341,682)	(261,673)
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS AND OTHER	72,886	35,255
PURCHASE OF INVESTMENTS	(1,041,242)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	(968,356)	35,255
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(1,905,287)	328,234
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	2,579,601	2,251,367
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 674,314	$ 2,579,601
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	$ (399,098)	$ (180,065)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	440,864	427,156
CHANGE IN ASSETS AND LIABILITIES		
ACCOUNTS RECEIVABLE	5,570	(6,896)
INVENTORIES AND PREPAIDS	5,146	(8,301)
ACCOUNTS PAYABLE	1,971	(7,406)
ACCRUED SALARIES AND BENEFITS	(2,183)	(8,411)
TOTAL ADJUSTMENTS	451,368	396,142
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 52,270	$ 216,077

CITY OF ROCKY FORD, COLORADO

SEWER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
CURRENT ASSETS		
CASH OR EQUIVALENTS	$ 169,080	$ 1,308,745
INVESTMENTS	503,130	$ -
ACCOUNTS RECEIVABLE - BILLED (NET)	106,830	95,079
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	35,300	41,900
INTERFUND RECEIVABLE	831,185	-
INVENTORIES	1,366	2,535
TOTAL CURRENT ASSETS	1,646,891	1,448,259
RESTRICTED ASSETS		
RESTRICTED CASH	64,980	-
PROPERTY AND EQUIPMENT		
LAND, SEWER SYSTEM AND EQUIPMENT - AT COST	6,798,117	6,177,696
ACCUMULATED DEPRECIATION	(3,407,016)	(3,298,900)
NET PROPERTY AND EQUIPMENT	3,391,101	2,878,796
TOTAL ASSETS	$ 5,102,972	$ 4,327,055
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	$ 988	$ 524
ACCRUED SALARIES AND BENEFITS	24,658	26,840
ACCRUED INTEREST	391	506
CURRENT PORTION - LOANS PAYABLE	120,265	119,908
TOTAL CURRENT LIABILITIES	146,302	147,778
TERM LIABILITIES		
LOANS PAYABLE	1,496,659	939,164
TOTAL LIABILITIES	1,642,961	1,086,942
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	1,774,177	1,819,723
RESTRICTED FOR:		
OPERATIONS AND MAINTENANCE	197,900	185,900
RESTRICTED FOR FUTURE EXPENDITURES	64,980	-
UNRESTRICTED	1,422,954	1,234,490
TOTAL NET POSITION	3,460,011	3,240,113
TOTAL LIABILITIES AND NET ASSETS	$ 5,102,972	$ 4,327,055

CITY OF ROCKY FORD, COLORADO

SEWER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
CHARGES FOR SERVICES	$ 941,779	$ 987,558
SPECIAL ASSESSMENTS	183,237	109,057
TOTAL OPERATING REVENUES	1,125,016	1,096,615
OPERATING EXPENSES		
COLLECTION SYSTEM	488,000	459,884
ACCOUNTING AND GENERAL ADMINISTRATION	303,312	283,375
DEPRECIATION	108,115	179,902
TOTAL OPERATING EXPENSES	899,427	923,161
OPERATING INCOME	225,589	173,454
NONOPERATING REVENUES (EXPENSES)		
MISCELLANEOUS INCOME	6,480	4,150
INTEREST EXPENSE	(12,171)	(1,767)
TOTAL NONOPERATING REVENUES (EXPENSES)	(5,691)	2,383
INCOME BEFORE CAPITAL CONTRIBUTIONS	219,898	175,837
CAPITAL CONTRIBUTIONS	-	-
CHANGE IN NET POSITION	219,898	175,837
NET POSITION JANUARY 1	3,240,113	3,064,276
NET POSITION DECEMBER 31	$ 3,460,011	$ 3,240,113

CITY OF ROCKY FORD, COLORADO

SEWER UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	$ 1,119,865	$ 1,064,091
CASH PAYMENTS TO SUPPLIERS OF GOODS OR SERVICES	(356,600)	(340,421)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(435,261)	(410,775)
NET CASH PROVIDED BY OPERATING ACTIVITIES	328,004	312,895
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
INTERFUND ACTIVITY	(831,185)	-
MISCELLANEOUS INCOME	6,480	4,150
NET CASH PROVIDED (USED) BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	(824,705)	4,150
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(620,421)	(190,727)
LOAN PROCEEDS	677,760	-
PAYMENT ON LOANS	(119,908)	(119,568)
INTEREST PAID	(12,285)	(1,879)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(74,854)	(312,174)
CASH FLOWS FROM INVESTING ACTIVITIES		
PURCHASE OF INVESTMENTS	(503,130)	-
NET CASH USED FOR INVESTING ACTIVITIES	(503,130)	-
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(1,074,685)	4,871
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	1,308,745	1,303,874
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	$ 234,060	$ 1,308,745
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	$ 225,589	$ 173,454
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	108,115	179,902
CHANGE IN ASSETS AND LIABILITIES		
ACCOUNTS RECEIVABLE	(5,151)	(32,524)
INVENTORIES	1,169	-
ACCOUNTS PAYABLE	464	-
ACCRUED SALARIES AND BENEFITS	(2,182)	(7,937)
TOTAL ADJUSTMENTS	102,415	139,441
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 328,004	$ 312,895

CITY OF ROCKY FORD, COLORADO

SOLID WASTE DISPOSAL UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2025 AND 2024

	2025	2024
CURRENT ASSETS		
CASH OR EQUIVALENTS	$ 492,576	$ 877,042
ACCOUNTS RECEIVABLE - BILLED CUSTOMERS (NET)	63,002	65,628
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	28,100	28,100
INTERFUND RECEIVABLE	425,258	-
TOTAL CURRENT ASSETS	1,008,936	970,770
EQUIPMENT		
EQUIPMENT - AT COST	1,018,125	1,018,125
ACCUMULATED DEPRECIATION	(890,486)	(861,689)
NET EQUIPMENT	127,639	156,436
TOTAL ASSETS	$ 1,136,575	$ 1,127,206
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	$ 1,589	$ 1,249
ACCRUED SALARIES AND BENEFITS	21,929	24,446
ACCRUED INTEREST	-	164
CURRENT PORTION - LEASE PAYABLE	-	45,062
CURRENT PORTION -LANDFILL COSTS	19,160	16,130
TOTAL CURRENT LIABILITIES	42,678	87,051
TERM LIABILITIES		
LEASE PAYABLE	-	-
ACCRUED LANDFILL COSTS	172,440	145,170
TOTAL TERM LIABILITIES	172,440	145,170
TOTAL LIABILITIES	215,118	232,221
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	127,638	111,374
UNRESTRICTED	793,819	783,611
TOTAL NET POSITION	921,457	894,985
TOTAL LIABILITIES AND NET POSITION	$ 1,136,575	$ 1,127,206

CITY OF ROCKY FORD, COLORADO

SOLID WASTE DISPOSAL UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
CHARGES FOR SERVICES	$ 711,963	$ 738,405
OPERATING EXPENSES		
COLLECTION	292,675	347,452
ACCOUNTING AND GENERAL ADMINISTRATION	302,961	283,003
DEPRECIATION	28,798	49,942
TOTAL OPERATING EXPENSES	624,434	680,397
OPERATING INCOME	87,529	58,008
NONOPERATING REVENUES (EXPENSES)		
MISCELLANEOUS INCOME	173,953	477
INTEREST EXPENSE	(662)	(2,058)
GRANTS AND OTHER	(80,000)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	93,291	(1,581)
INCOME BEFORE SPECIAL ITEM AND TRANSFERS	180,820	56,427
TRANSFER OUT	(124,048)	-
SPECIAL ITEM	(30,300)	(11,900)
CHANGE IN NET POSITION	26,472	44,527
NET POSITION JANUARY 1	894,985	850,458
NET POSITION DECEMBER 31	$ 921,457	$ 894,985

CITY OF ROCKY FORD, COLORADO

SOLID WASTE DISPOSAL UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	$ 714,589	$ 717,627
CASH PAYMENTS TO SUPPLIERS OF GOODS OR SERVICES	(223,995)	(240,114)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(373,818)	(396,258)
NET CASH PROVIDED BY OPERATING ACTIVITIES	116,776	81,255
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
INTERFUND ACTIVITY	(549,306)	-
MISCELLANEOUS INCOME	173,953	477
GRANTS AND OTHER	(80,000)	-
NET CASH USED FOR NONCAPITAL AND RELATED FINANCING ACTIVITIES	(455,353)	477
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
PAYMENT ON LEASE PAYABLE	(45,062)	(52,043)
INTEREST PAID	(827)	(2,246)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(45,889)	(54,289)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(384,466)	27,443
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	877,042	849,599
CASH AND CASH EQUIVALENTS END OF YEAR	$ 492,576	$ 877,042
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	$ 87,529	$ 58,008
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	28,798	49,942
CHANGE IN ASSETS AND LIABILITIES		
ACCOUNTS RECEIVABLE	2,626	(20,778)
ACCOUNTS PAYABLE	340	101
ACCRUED SALARIES & BENEFITS	(2,517)	(6,018)
TOTAL ADJUSTMENTS	29,247	23,247
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 116,776	$ 81,255

CITY OF ROCKY FORD, COLORADO

WATER UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2025

	BUDGET			VARIANCE FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	$ 1,510,550	$ 1,510,550	$ 1,246,711	$ (263,839)
INTEREST AND RENT	13,300	13,300	72,886	59,586
OTHER	19,405	19,405	21,077	1,672
TOTAL REVENUES	1,543,255	1,543,255	1,340,674	(202,581)
EXPENDITURES				
SOURCE OF SUPPLY	368,400	368,400	480,335	(111,935)
SUPPLY MAINTENANCE	349,620	349,620	297,420	52,200
DISTRIBUTION AND OPERATING SUPPLIES	130,800	130,800	121,805	8,995
ACCOUNTING AND GENERAL ADMINISTRATION	289,230	289,230	305,385	(16,155)
DEPRECIATION	387,000	387,000	440,864	(53,864)
INTEREST	83,700	83,700	93,198	(9,498)
DEBT RETIREMENT	120,000	120,000	119,392	608
TOTAL EXPENDITURES	1,728,750	1,728,750	1,858,399	(129,649)
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(185,495)	(185,495)	(517,725)	(332,230)
OTHER FINANCING SOURCES				
TRANSFERS	-	-	-	-
CAPITAL CONTRIBUTIONS	2,500	2,500	42,000	39,500
	$ (182,995)	$ (182,995)	(475,725)	$ (292,730)
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
DEBT RETIREMENT			119,392	
CHANGE IN NET POSITION			(356,333)	
NET POSITION JANUARY 1			6,327,846	
NET POSITION DECEMBER 31			$ 5,971,513	

CITY OF ROCKY FORD, COLORADO

SEWER UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2025

	BUDGET AMOUNTS			VARIANCE FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	$ 1,070,000	$ 1,070,000	$ 1,125,016	$ 55,016
INTEREST AND OTHER	1,000	1,000	6,480	5,480
TOTAL REVENUES	1,071,000	1,071,000	1,131,496	60,496
EXPENDITURES				
COLLECTION SYSTEM	498,520	498,520	488,000	10,520
ACCOUNTING AND GENERAL ADMINISTRATION	263,033	263,033	303,312	(40,279)
DEPRECIATION	186,000	186,000	108,115	77,885
CAPITAL OUTLAY	212,500	212,500	-	212,500
INTEREST	8,680	8,680	12,171	(3,491)
DEBT RETIREMENT	120,466	120,466	119,908	558
TOTAL EXPENDITURES	1,289,199	1,289,199	1,031,506	257,693
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(218,199)	(218,199)	99,990	318,189
OTHER FINANCING SOURCES				
LOAN PROCEEDS	318,000	318,000	-	(318,000)
CAPITAL CONTRIBUTIONS	1,500	1,500	-	(1,500)
	$ 101,301	$ 101,301	99,990	$ (1,311)
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
CAPITALIZATION OF FIXED ASSETS			-	
DEBT RETIREMENT			119,908	
CHANGE IN NET POSITION			219,898	
NET POSITION JANUARY 1			3,240,113	
NET POSITION DECEMBER 31			$ 3,460,011	

CITY OF ROCKY FORD, COLORADO

SOLID WASTE DISPOSAL UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2025

	BUDGET			VARIANCE FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	$ 705,500	$ 705,500	$ 711,963	$ 6,463
MISCELLANEOUS INCOME	10,300	10,300	49,905	39,605
TOTAL REVENUES	715,800	715,800	761,868	46,068
EXPENDITURES				
COLLECTION	378,500	378,500	292,675	85,825
ACCOUNTING AND GENERAL ADMINISTRATION	272,921	272,921	302,961	(30,040)
DEPRECIATION	35,000	35,000	28,798	6,202
INTEREST	-	-	662	(662)
GRANTS AND OTHER	-	-	80,000	(80,000)
CAPITAL OUTLAY	-	-	-	-
DEBT RETIREMENT	62,700	62,700	45,062	17,638
TOTAL EXPENDITURES	749,121	749,121	750,158	(1,037)
REVENUES OVER (UNDER) EXPENDITURES BEFORE SPECIAL ITEM	(33,321)	(33,321)	11,710	45,031
SPECIAL ITEM	-	-	(30,300)	(30,300)
	$ (33,321)	$ (33,321)	(18,590)	$ 14,731
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
DEBT RETIREMENT			45,062	
CHANGE IN NET POSITION			26,472	
NET POSITION JANUARY 1			894,985	
NET POSITION DECEMBER 31			$ 921,457	

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

HANCOCK FROESE & COMPANY LLC

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

To the City Council
City of Rocky Ford, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Rocky Ford, Colorado, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise City of Rocky Ford, Colorado's basic financial statements and have issued our report thereon dated August 21, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described below (2025-01) as items that we consider to be material weaknesses.

2025-01: Monitoring Cash Balances in the Pooled Cash Account	**Material Weakness**
Criteria:	The objective of internal controls over pooled cash and the cash position of each fund is to monitor cash account balances to mitigate deficit cash positions and the need for interfund borrowings. The preparation of accurate and timely financial statements is an integral part of a city. Properly performing and monitoring bank and account reconciliations (which includes pooled cash) is a critical part of preparing the financial statements.
Condition:	We identified a lack of controls related to the individual fund cash balances for the pooled cash account. The General Fund had a significant deficit cash position as of December 31, 2025 which resulted in borrowing funds from the Proprietary Funds.
Cause:	The Public Safety category within the government's General Fund, which includes Police, Fire, Ambulance, Dispatch, Wildland Fire, and Interfacility Transport (IFT) services, has experienced an increase of approximately $1.9 million in expenditures since 2022 without a sufficient corresponding increase in revenues, which includes tax revenues, to cover the increase in expenditures.

2025-01: Monitoring Cash Balances in the Pooled Cash Account (Continued)	Material Weakness
Effect:	Not being proactive in addressing significant increases in expenditures and not addressing the deficit cash balance has created financial stress on the General Fund. It has also increased the risk for noncompliance issues in Proprietary Funds that could negatively impact future funding.
Recommendation:	We recommend the governing body adopt policies and procedures to monitor each fund's claim on pooled cash to ensure each fund maintains a positive balance and to eliminate the need for interfund borrowings. We recommend the adoption of a budget that accurately reflects revenues available and that expenditures that are within those budgeted revenues.
Response:	Management concurs with the recommendation and plans to establish procedures and policies to ensure that cash balances within each fund maintain a positive balance through the adoption of a budget that accurately reflects the revenues available and expenditures that are within the budgeted revenues.

Report on Compliance and Other Matters

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

City of Rocky Ford, Colorado's Response to Findings

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

Purpose of This Report

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

Hancock Froese & Company LLC

HANCOCK FROESE & COMPANY LLC

Rocky Ford, Colorado
August 21, 2026

LOCAL HIGHWAY FINANCE REPORT

LOCAL HIGHWAY FINANCE REPORT

STATE:		
COLORADO		
THIS INFORMATION FROM THE RECORDS OF:	**PREPARED BY:**	**REPORT YEAR ENDING DATE(mm/yyyy):**
CITY OF ROCKY FORD	KYLE CROSSWHITE kcrosswhite@rockyford-co.gov	12/2025

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. Total (1 - (2 through 4))				

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other Local Imposts:		**A.4. Miscellaneous Local Receipts:**	
a. Property Taxes and Assesments		a. Interest on investments	
b. Non-property Taxes and Assessments Imposts	56,819.00	b. Other Misc. Local Receipts	
c. Total (a + b)	$ 56,819.00	**c. Total (a + b)**	$ -

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user Taxes (from Item I.C.5.)	149,354.00	1. FHWA (from Item I.D.5.)	
2. State General Funds		2. Other Federal Agencies:	
3. Other State funds:			
a. State Bond Proceeds			
b. Non-State Bond Proceeds	13,147.00		
c. Total (a + b)	$ 13,147.00		
4. Total (1 + 2 + 3c)	$ 162,501.00	**3. Total (1 + 2)**	$ -

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT
A.1. Capital outlay:	
a. Right-Of-Way Costs	
b. Engineering Costs	
c. Construction Costs	
d. Total Capital Outlay (a+ b + c)	$ -

LOCAL HIGHWAY FINANCE REPORT

STATE: COLORADO

REPORT YEAR ENDING DATE(mm/yyyy): 12/2025

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. Amount used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from Local Sources:	
1. Local Highway-user Taxes	
a. Motor Fuel (from Item I.A.1)	
b. Motor Vehicle (from Item I.B.1)	
c. Total (a + b)	
2. General Fund Appropriations	89,020.00
3. Other Local Imposts (from page 1, Item II.A3.c)	$ 56,819.00
4. Miscellaneous Local Receipts (from page 1, Item II.A4.c)	$ -
5. Transfers from Toll Facilities	
6. Proceeds of Sale of Bonds and Notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a + b + c)	$ -
7. Total (1 through 6)	$ 145,839.00
B. Private Contributions	
C. Receipts from State government (from page 1, Item II.C.4)	$ 162,501.00
D. Receipts from Federal government (from page 1, Item II.D.3)	$ -
E. Total receipts (A.7 + B + C + D)	$ 308,340.00

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital Outlay (from page 1, Item III.A1.d)	$ -
2. Maintenance:	224,987.00
3. Road and Street Services:	
a. Snow and Ice Removal	
b. Other & Traffic Control Operations	39,163.00
c. Total (a + b)	$ 39,163.00
4. General Administration & Miscellaneous	44,190.00
5. Highway Law Enforcement and Safety	
6. Total (1 through 5)	$ 308,340.00
B. Debt Service on Local Obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a + b)	$ -
3. Total (1c + 2c)	$ -
C. Payments to State for Highways	
D. Payments to Toll Facilities	
E. Total Expenditures (A6 + B3 + C + D)	$ 308,340.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

ITEM	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)		$ -	$ -	$ -
1. Bonds (Refunding Portion)		$ -		
B. Notes (Total)		$ -	$ -	$ -