

CITY OF ROCKY FORD, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2020

CITY OF ROCKY FORD, COLORADO

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 8
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	9
STATEMENT OF ACTIVITIES	10
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	11
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	12
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS	13
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	14
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	15
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	16
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	17
NOTES TO FINANCIAL STATEMENTS	18 - 40
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – OLD HIRE POLICE PENSION FUND	41
SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – VOLUNTEER FIRE DEPARTMENT PENSION FUND	42
SCHEDULE OF PLAN CONTRIBUTIONS – OLD HIRE POLICE PENSION FUND	43
SCHEDULE OF PLAN CONTRIBUTIONS – VOLUNTEER FIRE DEPARTMENT PENSION FUND	44
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND	45
SCHEDULE OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – CAPITAL IMPROVEMENT FUND	46
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	47 - 48
OTHER INFORMATION	
INDIVIDUAL FINANCIAL STATEMENTS - MAJOR GOVERNMENTAL FUNDS	49 - 52
COMBINING FINANCIAL STATEMENTS - NONMAJOR FUNDS	53 - 62
INDIVIDUAL FINANCIAL STATEMENTS AND BUDGET SCHEDULES – ENTERPRISE FUNDS	63 - 74
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	75
LOCAL HIGHWAY FINANCE REPORT	76 - 77

# HANCOCK FROESE & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS  
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ROCKY FORD, COLORADO 81067

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## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Rocky Ford, Colorado

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Rocky Ford, Colorado as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Rocky Ford, Colorado's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

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 and each major fund of the City of Rocky Ford, Colorado, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

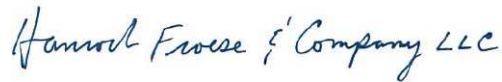
*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rocky Ford, Colorado's basic financial statements. The combining and individual fund financial statements and budget schedules, and the local highway finance report, listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and budget schedules and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budget schedules and the local highway finance report are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2021, on our consideration of the City of Rocky Ford, Colorado's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Rocky Ford, Colorado's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Rocky Ford, Colorado's internal control over financial reporting and compliance.



HANCOCK FROESE & COMPANY LLC

Rocky Ford, Colorado  
July 20, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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## 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, 2020. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report, the City of Rocky Ford's basic financial statements and notes to the financial statements to enhance their understanding of the activities and financial health of the City of Rocky Ford.

### FINANCIAL HIGHLIGHTS

The City's total net position increased from \$20,035,435 to \$20,736,331 over the course of the City's operations in 2020.

During the year, the City's governmental revenues generated in taxes and other revenues for governmental programs (after other financing sources) were \$683,932 more than the \$2,745,689 of expenditures for general government and governmental services.

The City's business-type funds, the water, sewer and solid waste disposal funds, had an increase in total net position of \$16,964 over the year, up from \$9,570,469 in 2019 to \$9,587,433 in 2020.

### 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, 2020, total City's net position was \$20,736,331, governmental activity net position was \$11,148,898 and business-type activities net position was \$9,587,433. The table below provides a comparative summary of the City's Governmental and Business-type net position for 2020 and 2019:

The 2020 MD&A presentation includes comparative changes in net position for the past two years below:

<b>Statement of Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Assets</b>						
Current and other	\$ 1,204,769	\$ 1,098,591	\$ 3,679,570	\$ 3,410,714	\$ 4,884,339	\$ 4,509,305
Capital Assets	\$ 11,088,613	\$ 10,759,636	\$ 11,133,135	\$ 11,486,280	\$ 22,221,748	\$ 22,245,916
<b>Total Assets</b>	<b>\$ 12,293,382</b>	<b>\$ 11,858,227</b>	<b>\$ 14,812,705</b>	<b>\$ 14,896,994</b>	<b>\$ 27,106,087</b>	<b>\$ 26,755,221</b>
Deferred Outflows of Resources	\$ 14,676	\$ 34,800	\$ -	\$ -	\$ 14,676	\$ 34,800
<b>Total Assets and Deferred Outflows</b>	<b>\$ 12,308,058</b>	<b>\$ 11,893,027</b>	<b>\$ 14,812,705</b>	<b>\$ 14,896,994</b>	<b>\$ 27,120,763</b>	<b>\$ 26,790,021</b>
<b>Liabilities</b>						
Current and other	\$ 203,261	\$ 305,322	\$ 566,593	\$ 603,267	\$ 769,854	\$ 908,589
Long-term Liab.	\$ 650,031	\$ 823,377	\$ 4,658,679	\$ 4,723,258	\$ 5,308,710	\$ 5,546,635
<b>Total Liabilities</b>	<b>\$ 853,292</b>	<b>\$ 1,128,699</b>	<b>\$ 5,225,272</b>	<b>\$ 5,326,525</b>	<b>\$ 6,078,564</b>	<b>\$ 6,455,224</b>
Deferred Inflows of Resources	\$ 305,868	\$ 299,362	\$ -	\$ -	\$ 305,868	\$ 299,362
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 10,647,674	\$ 10,229,204	\$ 6,265,591	\$ 6,542,722	\$ 16,913,265	\$ 16,771,926
Restricted	\$ 343,397	\$ 351,880	\$ 1,030,254	\$ 1,014,541	\$ 1,373,651	\$ 1,366,421
Unrestricted	\$ 157,827	\$ (116,118)	\$ 2,291,588	\$ 2,013,206	\$ 2,449,415	\$ 1,897,088
<b>Total Net Position</b>	<b>\$ 11,148,898</b>	<b>\$ 10,464,966</b>	<b>\$ 9,587,433</b>	<b>\$ 9,570,469</b>	<b>\$ 20,736,331</b>	<b>\$ 20,035,435</b>
<b>Total Liabilities, Deferred Inflows &amp; Net Position</b>	<b>\$ 12,308,058</b>	<b>\$ 11,893,027</b>	<b>\$ 14,812,705</b>	<b>\$ 14,896,994</b>	<b>\$ 27,120,763</b>	<b>\$ 26,790,021</b>

A significant portion (82%) 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 11% of net position represent the *unrestricted* portion available for the City's ongoing obligations to its citizens.

At the end of 2020, 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 2020 revenues and expenditures for Governmental and Business-type activities as they are reported in the Statement of Activities compared to 2019. 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 2020 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	2020	2019	2020	2019	2020	2019
<b>Governmental Revenues:</b>						
Charges for Services	\$ 355,671	\$ 475,126			\$ 355,671	\$ 475,126
Operating Grants & Contributions	\$ 210,717	\$ 249,465			\$ 210,717	\$ 249,465
Capital Grants & Contributions	\$ 210,506	\$ 650,707			\$ 210,506	\$ 650,707
Taxes	\$2,033,529	\$ 1,769,868			\$2,033,529	\$ 1,769,868
Other taxes, Licenses & Fines	\$ 348,423	\$ 321,725			\$ 348,423	\$ 321,725
Other	\$ 209,190	\$ 155,051			\$ 209,190	\$ 155,051
Contributions	\$ 1,585	\$ 1,680			\$ 1,585	\$ 1,680
Total Government Revenues	\$3,369,621	\$ 3,623,622			\$ 3,369,621	\$ 3,623,622
<b>Business-type Revenues</b>						
Charges for Services			\$ 2,772,145	\$2,550,096	\$ 2,772,145	\$ 2,550,096
Other			\$ 29,318	\$ 35,603	\$ 29,318	\$ 35,603
Grants & Contributions			\$ 12,310	\$ -	\$ 12,310	\$ -
Total Business-type Revenues			\$ 2,813,773	\$2,585,699	\$ 2,813,773	\$ 2,585,699
TOTAL REVENUES	\$3,369,621	\$ 3,623,622	\$ 2,813,773	\$2,585,699	\$ 6,183,394	\$ 6,209,321
<b>EXPENDITURES</b>						
<b>Government Expenditures</b>						
General Government	\$ 641,522	\$ 661,263			\$ 641,522	\$ 661,263
Public Safety	\$1,113,783	\$ 1,103,692			\$1,113,783	\$ 1,103,692
Public Works	\$ 420,409	\$ 451,785			\$ 420,409	\$ 451,785
Health & Welfare	\$ 74,852	\$ 81,442			\$ 74,852	\$ 81,442
Culture and Recreation	\$ 495,123	\$ 611,241			\$ 495,123	\$ 611,241
Total Government Expenditures	\$ 2,745,689	\$ 2,909,423			\$2,745,689	\$ 2,909,423
<b>Business-type Expenditures</b>						
Personal Services,						
Materials, Supplies			\$ 2,132,385	\$1,820,094	\$2,132,385	\$ 1,820,094
Depreciation Expense			\$ 604,424	\$ 620,183	\$ 604,424	\$ 620,183
Total Business-type Expenditures			\$ 2,736,809	\$2,440,277	\$2,736,809	\$ 2,440,277
TOTAL EXPENDITURES	\$ 2,745,689	\$ 2,909,423	\$ 2,736,809	\$2,440,277	\$5,482,498	\$ 5,349,700
EXCESS (DEFICIENCY) BEFORE TRANSFERS & SPECIAL ITEM	\$ 623,932	\$ 714,199	\$ 76,964	\$ 145,422	\$ 700,896	\$ 859,621
Transfers In (Out)	\$ 60,000	\$ 100,000	\$ (60,000)	\$ (100,000)	\$ -	\$ -
Special Item	\$ -	\$ -	\$ -	\$ 22,700	\$ -	\$ 22,700
CHANGE IN NET POSITION	\$ 683,932	\$ 814,199	\$ 16,964	\$ 68,122	\$ 700,896	\$ 882,321
NET POSITION – BEGINNING	\$10,464,966	\$ 9,650,767	\$ 9,570,469	\$9,502,347	\$20,035,435	\$19,153,114
NET POSITION – ENDING	\$11,148,898	\$10,464,966	\$ 9,587,433	\$9,570,469	\$20,736,331	\$20,035,435

**Governmental Activities:** Governmental activities accounted for \$683,932 of revenues over expenses for 2020. Total revenues, including transfers, from governmental activities including the general fund and other governmental funds amounted to \$3,429,621.

Total expenses for governmental activities in 2020 including the general fund and other governmental funds amounted to \$2,745,689.

**Business-type Activities:** The business activities had revenues in excess of expenditures totaling \$16,964 in 2020.

The Water Utility Fund had expenses in excess of revenues of \$62,595 due to interest expense of \$115,535.

The Sewer Utility Fund had revenues in excess of expenses of \$59,861. This was due to an operating income of \$59,389 fiscal year 2020.

The Solid Waste Disposal Utility Fund had revenues in excess of expenses of \$19,878 due to operating revenues exceeding operating expenses by \$81,594.

### 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 2020, the City of Rocky Ford reported a fund balance for total governmental funds of \$750,647 compared to \$600,743 in 2019. Of the total fund balance, unassigned fund balance was \$368,940, 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 \$83,200; restricted for capital improvements \$215,767 and restricted for conservation trust \$44,430.

**General Fund:** The General Fund of the City accounts for all transactions not accounted for in other funds. As the City's major operating fund, the General Fund accounts for ordinary operating expenditures financed primarily by property and sales taxes and charges for services. The General Fund completed the year with a fund balance of \$459,818. This was an increase of \$176,121 from the previous year's fund balance of 283,697. The General Fund had total budgeted revenues of \$2,387,091 and actual revenues of \$2,888,485 and total budgeted expenditures of \$2,664,728 and actual expenditures of \$2,773,949.

**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 \$1,265,625 in 2020 up from \$1,119,517 in 2019, the Sewer Utility Fund with unrestricted net position of \$521,681 in 2020 up from \$433,660 in 2019 and the Solid Waste Disposal Utility Fund with unrestricted net position of \$504,282 in 2020 up from \$460,029 in 2019.

### Capital Asset and Debt Administration

**Capital Assets:** At the end of 2020, the City had acquired \$22,221,748 (net of accumulated depreciation) 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. The total decrease in net capital assets for 2020 was \$24,168 or 1%.
3. Additional information on the City's net position 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 2020 assessed valuation was \$12,911,340.

At December 31, 2020, the City of Rocky Ford had the following outstanding long-term debt:

1. \$102,856 in accrued PTO and vacation due to employees;
2. \$132,000 in estimated closure and post closure care costs for the landfill operated by Otero County Landfill Inc.;
3. \$56,100 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;
4. \$2,344,081 loan payable semi-annually to Rural Development for financing of Zone 1, Zone 2, Water Treatment Plant & Water Tank improvements in 2011.
5. \$1,185,430 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.
6. \$973,477 loan payable to Colorado Water Resources and Power Development Authority with a 0% interest rate for system upgrades in the Sewer Fund.
7. \$505,883 loan payable to Colorado Water Resources and Power Development Authority with a 0% interest rate for system upgrades in the Sewer Fund.
8. \$243,511 lease payable to Midland States Bank, for the purchase of a 2021 Kenworth T370 trash truck.
9. \$261,398 in net pension liability for the Old Hire Police Pension Fund.

### Economic Factors and Next Year's Budgets and Rates

The 2021 budget reflects an increase in the General Fund revenues and expenditures. Other factors potentially affecting the 2021 budget is the increase in minimum wage, the increase in fuel and utility costs, and the change in usage of water in 2021 verse 2020 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, 2020

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-TYPE	TOTAL
	ACTIVITIES	ACTIVITIES	
<b>ASSETS</b>			
CASH OR EQUIVALENTS	\$ 169,812	\$ 2,458,184	\$ 2,627,996
RECEIVABLES - NET:			
ACCOUNTS / OTHER	460,372	269,718	730,090
PROPERTY TAXES	288,400	-	288,400
PREPAID EXPENSES	-	17,898	17,898
INVENTORIES	-	81,516	81,516
PENSION FORFEITURE ACCOUNTS	36,895	-	36,895
RESTRICTED ASSETS	168,562	852,254	1,020,816
NET PENSION ASSET	80,728	-	80,728
CAPITAL ASSETS:			
LAND	361,407	-	361,407
BUILDINGS	4,401,067	-	4,401,067
SYSTEMS AND EQUIPMENT	-	24,059,408	24,059,408
IMPROVEMENTS	3,677,687	-	3,677,687
EQUIPMENT	2,498,053	-	2,498,053
CONSTRUCTION IN PROGRESS	5,267,514	-	5,267,514
ACCUMULATED DEPRECIATION	(5,117,115)	(12,926,273)	(18,043,388)
<b>TOTAL ASSETS</b>	<b>12,293,382</b>	<b>14,812,705</b>	<b>27,106,087</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
PENSION RELATED	14,676	-	14,676
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 12,308,058</b>	<b>\$ 14,812,705</b>	<b>\$ 27,120,763</b>
<b>LIABILITIES</b>			
ACCOUNTS PAYABLE	\$ 23,600	\$ 26,899	\$ 50,499
ACCRUED SALARIES AND BENEFITS	102,856	53,968	156,824
ACCRUED EXPENSES	24,499	23,722	48,221
CUSTOMERS DEPOSITS	-	121,140	121,140
NON CURRENT LIABILITIES:			
DUE WITHIN ONE YEAR	52,306	340,864	393,170
DUE IN MORE THAN ONE YEAR	650,031	4,658,679	5,308,710
<b>TOTAL LIABILITIES</b>	<b>853,292</b>	<b>5,225,272</b>	<b>6,078,564</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
PENSION RELATED	17,468	-	17,468
DEFERRED REVENUES - PROPERTY TAXES	288,400	-	288,400
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>305,868</b>	<b>-</b>	<b>305,868</b>
<b>NET POSITION</b>			
NET INVESTMENT IN CAPITAL ASSETS	10,647,674	6,265,591	16,913,265
RESTRICTED FOR:			
OPERATIONS AND MAINTENANCE	-	178,000	178,000
FUTURE EXPENDITURES	215,767	852,254	1,068,021
CONSERVATION TRUST	44,430	-	44,430
EMERGENCIES - TABOR	83,200	-	83,200
UNRESTRICTED	157,827	2,291,588	2,449,415
<b>TOTAL NET POSITION</b>	<b>11,148,898</b>	<b>9,587,433</b>	<b>20,736,331</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 12,308,058</b>	<b>\$ 14,812,705</b>	<b>\$ 27,120,763</b>

CITY OF ROCKY FORD, COLORADO

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
<b>GOVERNMENTAL ACTIVITIES:</b>			
GENERAL GOVERNMENT	\$ 641,522	\$ -	\$ 18,293
PUBLIC SAFETY	1,113,783	226,065	-
PUBLIC WORKS	420,409	36,846	152,871
HEALTH AND WELFARE	74,852	26,904	-
CULTURE AND RECREATION	495,123	65,856	39,553
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>2,745,689</b>	<b>355,671</b>	<b>210,717</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>			
WATER	1,288,923	1,189,385	-
SEWER	891,157	947,553	-
SOLID WASTE DISPOSAL	556,729	635,207	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>2,736,809</b>	<b>2,772,145</b>	<b>-</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 5,482,498</b>	<b>\$ 3,127,816</b>	<b>\$ 210,717</b>

GENERAL REVENUES

PROPERTY TAXES

SALES TAXES

FRANCHISE TAXES

OTHER TAXES LICENSES AND FINES

CONTRIBUTIONS

OTHER

TRANSFERS IN (OUT)

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION JANUARY 1

NET POSITION DECEMBER 31

NET (EXPENSES) REVENUE  
AND CHANGES IN NET POSITION

CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		TOTAL
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
\$ -	\$ (623,229)	\$ -	\$ (623,229)
210,506	(677,212)	-	(677,212)
-	(230,692)	-	(230,692)
-	(47,948)	-	(47,948)
-	(389,714)	-	(389,714)
210,506	(1,968,795)	-	(1,968,795)
-	-	(99,538)	(99,538)
-	-	56,396	56,396
-	-	78,478	78,478
-	-	35,336	35,336
<u>\$ 210,506</u>	<u>(1,968,795)</u>	<u>35,336</u>	<u>(1,933,459)</u>
	288,839	-	288,839
	1,594,608	-	1,594,608
	150,082	-	150,082
	348,423	-	348,423
	1,585	12,310	13,895
	209,190	29,318	238,508
	60,000	(60,000)	-
	<u>2,652,727</u>	<u>(18,372)</u>	<u>2,634,355</u>
	683,932	16,964	700,896
	<u>10,464,966</u>	<u>9,570,469</u>	<u>20,035,435</u>
<u>\$</u>	<u>11,148,898</u>	<u>\$ 9,587,433</u>	<u>\$ 20,736,331</u>

CITY OF ROCKY FORD, COLORADO

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2020

	GENERAL	CAPITAL IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
CASH OR EQUIVALENTS	\$ 87,072	\$ -	\$ 82,740	\$ 169,812
RESTRICTED ASSETS	15,191	153,371	-	168,562
RECEIVABLES:				
PROPERTY TAXES	288,400	-	-	288,400
OTHER	397,976	62,396	-	460,372
<b>TOTAL ASSETS</b>	<b>\$ 788,639</b>	<b>\$ 215,767</b>	<b>\$ 82,740</b>	<b>\$ 1,087,146</b>
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE	\$ 15,922	\$ -	\$ 7,678	\$ 23,600
ACCRUED EXPENSES	24,499	-	-	24,499
<b>TOTAL LIABILITIES</b>	<b>40,421</b>	<b>-</b>	<b>7,678</b>	<b>48,099</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
DEFERRED REVENUES - PROPERTY TAXES	288,400	-	-	288,400
<b>FUND BALANCE</b>				
RESTRICTED FOR				
EMERGENCIES - TABOR	83,200	-	-	83,200
FUTURE EXPENDITURES	-	215,767	-	215,767
CONSERVATION TRUST	-	-	44,430	44,430
COMMITTED	-	-	38,310	38,310
UNASSIGNED	376,618	-	(7,678)	368,940
<b>TOTAL FUND BALANCE</b>	<b>459,818</b>	<b>215,767</b>	<b>75,062</b>	<b>750,647</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 788,639</b>	<b>\$ 215,767</b>	<b>\$ 82,740</b>	<b>\$ 1,087,146</b>



CITY OF ROCKY FORD, COLORADO

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

DECEMBER 31, 2020

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

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$	750,647
ASSETS NOT AVAILABLE FOR CURRENT PERIOD EXPENDITURES AND THEREFORE ARE NOT REPORTED IN FUNDS			-
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN FUNDS.			
THE COST OF CAPITAL ASSETS IS		\$	16,205,728
ACCUMULATED DEPRECIATION IS			(5,117,115)
			<u>11,088,613</u>
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			80,728
DEFERRED OUTFLOWS - PENSION RELATED AMOUNTS			<u>14,676</u>
			95,404
PENSION FUNDS FORFEITURE ACCOUNTS			36,895
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS.			
LONG TERM LEASES			(440,939)
COMPENSATED ABSENCES			(102,856)
DEFERRED INFLOWS - PENSION RELATED AMOUNTS			(17,468)
NET PENSION LIABILITIES			<u>(261,398)</u>
			<u>(822,661)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$	<u><u>11,148,898</u></u>

## CITY OF ROCKY FORD, COLORADO

## GOVERNMENTAL FUNDS

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

YEAR ENDED DECEMBER 31, 2020

	GENERAL	CAPITAL IMPROVEMENT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
TAXES	\$ 1,948,400	\$ 384,357	\$ -	\$ 2,332,757
LICENSES AND PERMITS	26,304	-	-	26,304
INTERGOVERNMENTAL	177,660	-	39,553	217,213
CHARGES FOR SERVICES	315,522	-	22,151	337,673
FINES	22,891	-	-	22,891
GRANTS	210,507	-	-	210,507
MISCELLANEOUS	187,201	-	21,989	209,190
TOTAL REVENUES	2,888,485	384,357	83,693	3,356,535
EXPENDITURES				
GENERAL GOVERNMENT	136,480	-	-	136,480
PUBLIC SAFETY	1,466,488	-	-	1,466,488
PUBLIC WORKS	282,633	337,224	-	619,857
HEALTH AND WELFARE	72,632	-	-	72,632
CULTURE AND RECREATION	304,929	-	138,695	443,624
GENERAL	510,787	-	18,348	529,135
TOTAL EXPENDITURES	2,773,949	337,224	157,043	3,268,216
REVENUES OVER (UNDER) EXPENDITURES	114,536	47,133	(73,350)	88,319
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	60,000	-	-	60,000
CONTRIBUTIONS	1,585	-	-	1,585
TOTAL OTHER FINANCING SOURCES (USES)	61,585	-	-	61,585
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	176,121	47,133	(73,350)	149,904
FUND BALANCE JANUARY 1	283,697	168,634	148,412	600,743
FUND BALANCE DECEMBER 31	\$ 459,818	\$ 215,767	\$ 75,062	\$ 750,647

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, 2020

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

NET CHANGE IN FUND BALANCE	\$	149,904
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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	\$ 705,261	
DEPRECIATION EXPENSE AND GAIN ON DISPOSITION OF ASSET	<u>(376,283)</u>	
		328,978

CAPITAL LEASE PAYMENTS ARE REPORTED AS EXPENDITURES IN THE GOVERNMENTAL  
FUNDS BUT NOT REPORTED AS EXPENSES IN THE STATEMENT OF ACTIVITIES

LEASE PAYMENTS		89,493
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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	(3,401)	
ACCRUED INTEREST EXPENSE ON LEASES	412	
PENSION RELATED AMOUNTS	<u>107,045</u>	
		104,056

PENSION FUND FORFEITURES		<u>11,501</u>
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CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>683,932</u></u>
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## CITY OF ROCKY FORD, COLORADO

## PROPRIETARY FUNDS

## STATEMENT OF NET POSITION

DECEMBER 31, 2020

	WATER	SEWER	SOLID WASTE DISPOSAL	TOTAL
<b>CURRENT ASSETS</b>				
CASH OR EQUIVALENTS	\$ 1,246,721	\$ 618,222	\$ 593,241	\$ 2,458,184
ACCOUNTS RECEIVABLE - CUSTOMERS (NET)	94,931	107,610	67,177	269,718
PREPAID EXPENSES	17,898	-	-	17,898
INVENTORIES	77,031	4,485	-	81,516
TOTAL CURRENT ASSETS	<u>1,436,581</u>	<u>730,317</u>	<u>660,418</u>	<u>2,827,316</u>
<b>RESTRICTED ASSETS</b>				
RESTRICTED CASH	848,636	3,618	-	852,254
<b>PROPERTY AND EQUIPMENT- AT COST</b>				
SYSTEM AND EQUIPMENT	17,200,236	5,841,047	1,018,125	24,059,408
ACCUMULATED DEPRECIATION	(9,691,660)	(2,572,691)	(661,922)	(12,926,273)
NET PROPERTY AND EQUIPMENT	<u>7,508,576</u>	<u>3,268,356</u>	<u>356,203</u>	<u>11,133,135</u>
<b>TOTAL ASSETS</b>	<u>\$ 9,793,793</u>	<u>\$ 4,002,291</u>	<u>\$ 1,016,621</u>	<u>\$ 14,812,705</u>
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	\$ 13,107	\$ 10,811	\$ 2,981	\$ 26,899
ACCRUED SALARIES AND BENEFITS	14,793	18,904	20,271	53,968
ACCRUED INTEREST	21,916	922	884	23,722
BONDS PAYABLE - CURRENT MATURITY	49,407	-	-	49,407
LOANS PAYABLE - CURRENT MATURITY	-	118,642	51,476	170,118
LEASES PAYABLE - CURRENT MATURITY	88,339	-	-	88,339
ACCRUED LANDFILL CLOSURE - CURRENT PORTION	-	-	33,000	33,000
TOTAL CURRENT LIABILITIES	<u>187,562</u>	<u>149,279</u>	<u>108,612</u>	<u>445,453</u>
<b>TERM LIABILITIES</b>				
BONDS PAYABLE	2,294,674	-	-	2,294,674
LOANS PAYABLE	-	1,416,818	192,035	1,608,853
LEASES PAYABLE	656,152	-	-	656,152
ACCRUED CLOSURE LANDFILL COSTS	-	-	99,000	99,000
TOTAL TERM LIABILITIES	<u>2,950,826</u>	<u>1,416,818</u>	<u>291,035</u>	<u>4,658,679</u>
<b>CUSTOMER DEPOSITS</b>	121,140	-	-	121,140
<b>TOTAL LIABILITIES</b>	<u>3,259,528</u>	<u>1,566,097</u>	<u>399,647</u>	<u>5,225,272</u>
<b>NET POSITION</b>				
NET INVESTMENT IN CAPITAL ASSETS	4,420,004	1,732,895	112,692	6,265,591
RESTRICTED FOR:				
DEBT SERVICE	-	178,000	-	178,000
FUTURE EXPENDITURES	848,636	3,618	-	852,254
UNRESTRICTED	1,265,625	521,681	504,282	2,291,588
TOTAL NET POSITION	<u>6,534,265</u>	<u>2,436,194</u>	<u>616,974</u>	<u>9,587,433</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 9,793,793</u>	<u>\$ 4,002,291</u>	<u>\$ 1,016,621</u>	<u>\$ 14,812,705</u>

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, 2020

	WATER	SEWER	SOLID WASTE DISPOSAL	TOTAL
OPERATING REVENUES				
CHARGES FOR SERVICES	\$ 786,425	\$ 839,746	\$ 635,207	\$ 2,261,378
SPECIAL ASSESSMENTS	402,960	107,807	-	510,767
TOTAL OPERATING REVENUES	<u>1,189,385</u>	<u>947,553</u>	<u>635,207</u>	<u>2,772,145</u>
OPERATING EXPENSES				
PERSONAL SERVICES, MATERIALS, SUPPLIES	785,412	703,859	521,470	2,010,741
DEPRECIATION	387,976	184,305	32,143	604,424
TOTAL OPERATING EXPENSES	<u>1,173,388</u>	<u>888,164</u>	<u>553,613</u>	<u>2,615,165</u>
OPERATING INCOME	<u>15,997</u>	<u>59,389</u>	<u>81,594</u>	<u>156,980</u>
NONOPERATING REVENUES (EXPENSE)				
INTEREST AND RENT INCOME	17,965	785	-	18,750
INTEREST EXPENSE	(115,535)	(2,993)	(3,116)	(121,644)
NONRECURRING REVENUE	9,168	-	1,400	10,568
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(88,402)</u>	<u>(2,208)</u>	<u>(1,716)</u>	<u>(92,326)</u>
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>(72,405)</u>	<u>57,181</u>	<u>79,878</u>	<u>64,654</u>
TRANSFERS IN (OUT)	-	-	(60,000)	(60,000)
CAPITAL CONTRIBUTIONS	9,810	2,500	-	12,310
CHANGE IN NET POSITION	<u>(62,595)</u>	<u>59,681</u>	<u>19,878</u>	<u>16,964</u>
NET POSITION JANUARY 1	<u>6,596,860</u>	<u>2,376,513</u>	<u>597,096</u>	<u>9,570,469</u>
NET POSITION DECEMBER 31	<u>\$ 6,534,265</u>	<u>\$ 2,436,194</u>	<u>\$ 616,974</u>	<u>\$ 9,587,433</u>

## CITY OF ROCKY FORD, COLORADO

## PROPRIETARY FUNDS

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2020

	WATER	SEWER	SOLID WASTE DISPOSAL	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
CASH RECEIVED FROM CUSTOMERS	\$ 1,188,974	\$ 924,509	\$ 636,035	\$ 2,749,518
CASH PAYMENTS TO SUPPLIERS OF GOODS OR SERVICES	(520,730)	(456,215)	(274,798)	(1,251,743)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(286,344)	(250,134)	(273,499)	(809,977)
NET CASH PROVIDED BY OPERATING ACTIVITIES	381,900	218,160	87,738	687,798
<b>CASH FLOWS FROM NONCAPITAL AND OTHER FINANCING ACTIVITIES</b>				
CUSTOMER DEPOSITS	8,778	-	-	8,778
TRANSFERS (OUT)	-	-	(60,000)	(60,000)
MISCELLANEOUS INCOME	9,168	785	1,400	11,353
NET CASH PROVIDED BY (USED FOR) NONCAPITAL AND OTHER FINANCING ACTIVITIES	17,946	785	(58,600)	(39,869)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
CAPITAL CONTRIBUTED	9,810	2,500	-	12,310
ACQUISITION OF CAPITAL ASSETS	-	-	(251,279)	(251,279)
PROCEEDS FROM LOAN PAYABLE	-	-	251,279	251,279
PRINCIPAL PAID ON TERM LIABILITIES	(201,165)	(118,362)	(7,768)	(327,295)
INTEREST PAID	(115,979)	(3,085)	(2,232)	(121,296)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(307,334)	(118,947)	(10,000)	(436,281)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
INTEREST INCOME AND OTHER	17,965	-	-	17,965
NET CASH USED FOR INVESTING ACTIVITIES	17,965	-	-	17,965
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>				
	110,477	99,998	19,138	229,613
CASH AND CASH EQUIVALENTS BEGINNING	1,984,880	521,842	574,103	3,080,825
CASH AND CASH EQUIVALENTS ENDING	\$ 2,095,357	\$ 621,840	\$ 593,241	\$ 3,310,438
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
OPERATING INCOME (LOSS)	\$ 15,997	\$ 59,389	\$ 81,594	\$ 156,980
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
DEPRECIATION	387,976	184,305	32,143	604,424
CHANGE IN ASSETS AND LIABILITIES				
ACCOUNTS RECEIVABLE	(411)	(23,044)	828	(22,627)
INVENTORIES	(13,886)	(2,730)	-	(16,616)
ACCOUNTS PAYABLE	(7,149)	588	(24,220)	(30,781)
ACCRUED SALARIES AND BENEFITS	(627)	(348)	(2,607)	(3,582)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 381,900	\$ 218,160	\$ 87,738	\$ 687,798

SEE NOTES TO FINANCIAL STATEMENTS

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

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

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

Related Organizations:

Rocky Ford Housing Authority

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

Joint Venture:

Otero County Landfill, Inc.

The City of Rocky Ford is a participant along with six other entities within the County in a joint venture known as the Otero County Landfill, Inc. As a participant, the City is responsible for a portion of closure and post-closure costs of the landfill. As of December 31, 2020, the City's share of the closure and post-closure costs are estimated at \$132,000 or approximately 8.90% 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 \$87,000 for services provided by Otero County Landfill, Inc.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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



CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

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

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

#### STEWARDSHIP

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

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

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

STEWARDSHIP (Continued)

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

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

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

Expenditures may not legally exceed appropriations at the fund level. For the year ended December 31, 2020, expenditures exceeded appropriations in the General Fund, Capital Improvement Fund, Conservation Trust Fund, Water Utility Fund, Sewer 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.

ACCOUNTS RECEIVABLE

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

INVENTORIES

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

WATER INVENTORY

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

CAPITAL ASSETS

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

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

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

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS (Continued)

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

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

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	\$ 6
Changes of Assumptions or Other Inputs	1,138
Net Difference Between Projected and Actual Investment	
Earnings on Pension Plan Investments	10,649
Contributions Made Subsequent to the Measurement Date	<u>2,883</u>
Total Pension Related Deferred Outflows	<u>\$ 14,676</u>

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

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

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

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

Difference Between Expected and Actual Experience	\$ 2,118
Changes of Assumptions or Other Inputs	-
Net Difference Between Projected and Actual Investment	
Earnings on Pension Plan Investments	<u>15,350</u>
Total Pension Related Deferred Inflows	<u>\$ 17,468</u>

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

LEASE AGREEMENTS

Annual rentals pertaining to leases which convey merely the right to use the property are charged to current operations. Lease agreements which are substantially installment purchases of property have been recorded as purchases with a corresponding liability recognized in the government-wide financial statements.

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**NET POSITION / FUND BALANCE**

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

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

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

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

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

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

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

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

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

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

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

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

The Grand Theater Fund had a deficit unassigned fund balance of \$7,678 at December 31, 2020.

**COMPENSATED ABSENCES**

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

**LONG-TERM OBLIGATIONS**

In the government-wide financial statements, and proprietary fund types in the fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position.

Bond premiums and discounts, as well as issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LONG-TERM OBLIGATIONS (Continued)

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.

PENSION PLANS

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

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

INTERFUND TRANSACTIONS

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

ESTIMATES

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

ACCOUNTING PRINCIPLES

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

NOTE -2 DEPOSITS

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2020, the carrying value of cash deposits was \$3,648,812 and the bank balances were \$3,450,178 of which \$750,000 was covered by federal deposit insurance and the remaining balance was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

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

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -3 CAPITAL ASSETS

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

GOVERNMENTAL ACTIVITIES:

	Balances January 1, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	Balances December 31, <u>2020</u>
Capital assets not being depreciated:				
Construction in Process	\$ 5,246,722	\$ 20,792	\$ -	\$ 5,267,514
Land	361,407	-	-	361,407
Capital assets being depreciated:				
Buildings	4,401,067	-	-	4,401,067
Improvements	3,366,212	311,475	-	3,677,687
Equipment	<u>2,125,060</u>	<u>372,993</u>	-	<u>2,498,053</u>
	<u>15,500,468</u>	<u>705,260</u>	-	<u>16,205,728</u>
Less Accumulated Depreciation:				
Buildings	(1,890,631)	(116,759)	-	(2,007,390)
Improvements	(1,244,151)	(159,671)	-	(1,403,822)
Equipment	<u>(1,606,050)</u>	<u>(99,853)</u>	-	<u>(1,705,903)</u>
	<u>(4,740,832)</u>	<u>(376,283)</u>	-	<u>(5,117,115)</u>
Governmental Activities Net Capital Assets	<u>\$10,759,636</u>	<u>\$ 328,977</u>	<u>\$ -</u>	<u>\$11,088,613</u>

BUSINESS-TYPE ACTIVITIES:

Capital assets being depreciated:				
Systems and Equipment	\$ 23,808,129	\$ 251,279	\$ -	\$ 24,059,408
Less Accumulated Depreciation	<u>(12,321,849)</u>	<u>(604,424)</u>	-	<u>(12,926,273)</u>
Business-type Activities Net Capital Assets	<u>\$ 11,486,280</u>	<u>\$ (353,145)</u>	<u>\$ -</u>	<u>\$ 11,133,135</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 62,142
Public Safety	51,431
Public Works	132,380
Health	2,220
Culture and Recreation	<u>128,110</u>
Total Governmental Activities Depreciation	<u>\$ 376,283</u>
Business-Type Activities	
Water	\$ 387,976
Sewer	184,305
Solid Waste Disposal	<u>32,143</u>
Total Business-Type Activities Depreciation	<u>\$ 604,424</u>

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -4 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 -5 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 -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, 2020:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>	<u>CURRENT PORTION</u>
<u>Governmental Activities:</u>					
Lease Payable 1	\$ 490,079	\$ -	\$ (49,140)	\$ 440,939	\$ 52,306
Lease Payable 2	23,070	-	(23,070)	-	-
Lease Payable 3	7,020	-	(7,020)	-	-
Lease Payable 4	10,262	-	(10,262)	-	-
Net Pension Liability	<u>382,438</u>	<u>-</u>	<u>(121,040)</u>	<u>261,398</u>	<u>-</u>
Totals	<u>\$ 912,869</u>	<u>\$ -</u>	<u>\$ (210,532)</u>	<u>\$ 702,337</u>	<u>\$ 52,306</u>
<u>Business-Type Activities:</u>					
Revenue Bonds-Water	\$2,391,671	-	\$ (47,590)	\$2,344,081	\$ 49,407
Lease Payable 1-Water	827,483	-	(82,992)	744,491	88,339
Lease Payable 3-Water	70,583	-	(70,583)	-	-
Loan Payable 1-Sewer	61,695	-	(5,595)	56,100	5,876
Loan Payable 2-Sewer	1,051,355	-	(77,878)	973,477	77,878
Loan Payable 3-Sewer	540,771	-	(34,888)	505,883	34,888
Loan Payable-Solid Waste Disposal	-	251,279	(7,768)	243,511	51,476
Estimated Closure & Post-Closure Costs	<u>132,000</u>	<u>-</u>	<u>-</u>	<u>132,000</u>	<u>33,000</u>
Totals	<u>\$5,075,558</u>	<u>\$ 251,279</u>	<u>\$ (327,294)</u>	<u>\$4,999,543</u>	<u>\$ 340,864</u>

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.

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

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, 2020 is \$1,412,101, of which \$475,745 was reported as a capital asset in Governmental Activities and \$936,356 was reported in the Water Utility Fund in Business-Type Activities.

Annual requirements of the lease as of December 31, 2020 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 140,645	\$ 37,403	\$ 178,048
2022	149,533	32,966	182,499
2023	158,814	28,247	187,061
2024	168,501	23,236	191,737
2025	178,611	17,920	196,531
2026-2027	<u>389,326</u>	<u>18,601</u>	<u>407,927</u>
Total	<u>\$1,185,430</u>	<u>\$ 158,373</u>	<u>\$1,343,803</u>

The total lease payable due is \$1,185,430 as of December 31, 2020, of which \$440,939 was reported as a long-term obligation in Governmental Activities and \$744,491 was reported in the Water Utility Fund in Business-Type Activities.

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.

Annual requirements to amortize water revenue bonds outstanding as of December 31, 2020 are as follows:

<u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	3.75	\$ 49,407	\$ 87,425	\$ 136,832
2022	3.75	51,278	85,554	136,832
2023	3.75	53,219	83,613	136,832
2024	3.75	55,004	81,828	136,832
2025	3.75	57,315	79,517	136,832
2026-2030	3.75	320,585	363,575	684,160
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	<u>346,562</u>	<u>20,257</u>	<u>366,819</u>
Total		<u>\$2,344,081</u>	<u>\$1,443,538</u>	<u>\$3,787,619</u>

LEASE PAYABLE 2- WATER

The City entered into a Lease Agreement with Deere Credit, Inc. on August 18, 2015, in the amount of \$127,840 for a 2015 John Deere 410K backhoe. The lease is payable in annual principal and interest installments of \$14,158 at 4.62% per annum beginning August 18, 2016 with a final lump sum payment made on August 18, 2020.



CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

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

LOAN PAYABLE 1- SEWER

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

Annual requirements to amortize the loan as of December 31, 2020 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 5,876	\$ 2,804	\$ 8,680
2022	6,169	2,511	8,680
2023	6,477	2,203	8,680
2024	6,801	1,879	8,680
2025	7,141	1,539	8,680
2026-2028	<u>23,636</u>	<u>2,402</u>	<u>26,038</u>
Total	<u>\$ 56,100</u>	<u>\$ 13,338</u>	<u>\$ 69,438</u>

LOAN PAYABLE 2- SEWER

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

Annual requirements to amortize the loan as of December 31, 2020 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 77,878	\$ -	\$ 77,878
2022	77,878	-	77,878
2023	77,878	-	77,878
2024	77,878	-	77,878
2025	77,878	-	77,878
2026-2030	389,391	-	389,391
2031-2033	<u>194,696</u>	<u>-</u>	<u>194,696</u>
Total	<u>\$ 973,477</u>	<u>\$ -</u>	<u>\$ 973,477</u>

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, 2020 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 34,888	\$ -	\$ 34,888
2022	34,888	-	34,888
2023	34,888	-	34,888
2024	34,888	-	34,888
2025	34,888	-	34,888
2026-2030	174,442	-	174,442
2031-2035	<u>157,001</u>	<u>-</u>	<u>157,001</u>
Total	<u>\$ 505,883</u>	<u>\$ -</u>	<u>\$ 505,883</u>

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

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

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, 2020 the City was in compliance with all covenants and maintained the required reserve of \$178,000.

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 \$243,950 as of December 31, 2020.

Annual requirements to amortize the loan as of December 31, 2020 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 51,476	\$ 7,337	\$ 58,813
2022	49,063	5,226	54,289
2023	50,596	3,693	54,289
2024	52,176	2,113	54,289
2025	<u>40,200</u>	<u>518</u>	<u>40,718</u>
Total	<u>\$ 243,511</u>	<u>\$ 18,887</u>	<u>\$ 262,398</u>

ESTIMATED CLOSURE AND POSTCLOSURE CARE COSTS

In 1995 the City entered into an intergovernmental agreement with Otero County and other municipalities within the County to form Otero County Landfill, Inc. to operate the landfill within the County. The agreement transfers the liability for closure and postclosure costs to this organization. The City and all participating entities are responsible for a portion of the costs based on an average of the population and assessed valuation of each entity to the total of all entities. Based on the current allocation, the City's share is approximately 8.90% of the estimated \$1,483,000 in closure and post-closure costs amounting to \$132,000. These amounts are based on estimates of what it would cost to perform all closure and post-closure care in 2020. Actual costs may be higher or lower due to inflation or deflation, changes in technology, or changes in applicable laws or regulations.

The City and other municipalities are required by state and federal laws and regulations to make certain financial assurances. These have been based on the same percentage as stated above.

	<u>Manzanola</u>	<u>Otero #1</u>	<u>OTERO #2</u>		
			<u>Module #1</u>	<u>Module #2</u>	<u>Module #3</u>
Percent of capacity	97%	100%	86%	85%	36%
Estimated closure date	2021	Closed	2022	2022	2026

The estimated closure and post closure costs had a minimal change from 2019 to 2020 therefore the City's allocation remained unchanged from the prior year and no amount was reported as a special item on the statement of activities and statement of revenues, expenses and changes in net position in the Solid Waste Disposal Utility Fund.

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -8 PENSION PLANS

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

OLD HIRE POLICE PENSION FUND – DEFINED BENEFIT PLAN

Summary of Significant Accounting Policies

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

The net pension liability, 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 Old Hire Police Pension Fund has been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

*Investments* - Investments are reported at fair value.

Plan Information

*Plan Description* - The City, on behalf of certain full-time paid Police Officers, contributes to the Old Hire Police Pension Fund which is affiliated with the Colorado Fire and Police Pension Association (FPPA) to administer the funds for the City. Assets of the plan are commingled for investment purposes in the Fire Member’s Benefit Fund, an agent multiple-employer defined benefit pension plan administered by FPPA. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the City Council of the City of Rocky Ford.

*Plan Membership* – Plan membership consists of active employees hired prior to April 8, 1978, electing to remain covered under the provisions of the City’s current plan.

The following is a summary of the participants:

	<u>Old Hire Police</u>
Active Members	0
Retirees and Beneficiaries	1
Inactive, Nonretired Members	0

*Benefits Provided* - The plan provides retirement benefits for members and beneficiaries according to the plan provisions and is as follows:

The Old Hire Police Pension Fund provides retirement benefits to police Officers who have attained both 55 years of age and completed 20 years of service or upon completion of 25 years of service, if earlier. Any Police Officer who elects to retire on or after his Normal Retirement Date shall be eligible for a monthly pension equal to 50% of his average monthly salary received one year before his retirement. For each year a member continues working past eligibility for normal retirement, a member’s benefit will increase by 4% of his average monthly salary to a maximum benefit of 74%. This benefit will be applicable only for service earned after January 1, 1993.

Upon death or remarriage, the surviving spouse receives a monthly pension equal to 50% of the monthly pension the Police Officer was entitled to receive prior to death. In addition, the plan calls for a 3% cost of living adjustment effective each January 1.

Title 31, Article 30 of the Colorado Revised Statutes (“CRS”), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the City of Rocky Ford Old Hire Police 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.

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -8 PENSION PLANS (Continued)

OLD HIRE POLICE PENSION FUND – DEFINED BENEFIT PLAN (Continued)

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 of Rocky Ford 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 Old Hire Police Pension Fund is 0% of covered salaries. Contribution was determined as part of the January 1, 2018 actuarial valuation. Total contribution for the year ended December 31, 2020 was \$0 and the actuarially determined contribution was \$35,709.

*Actuarial Assumptions* – Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2018, determines the contribution amounts for 2019 and 2020.

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2019:

Actuarial Cost Method – Entry Age Normal

Amortization Method – Level Dollar, Open\*

Remaining Amortization Period – 12 years\*

Asset Valuation Method – 5-Year smoothed fair value

Inflation – 2.50%

Salary Increases – N/A

Investment Rate of Return – 7.50%

Retirement Age – Any remaining actives are assumed to retire immediately

Mortality Rates – Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB.

Disabled (pre-1980): RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

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

*Assumption Changes* – The assumptions shown above pertain to the actuarial valuation as of January 1, 2018 and the associated Actuarially Determined Contribution for the year ending December 31, 2019. Following an experience study in 2018 and asset allocation study in 2018-2019, the Board adopted a new assumption set for first use in January 1, 2020 valuations.

The primary changes, which can be observed in the January 1, 2020 valuation, as compared to the assumptions shown are as follows:

Investment Rate of Return – 4.50%

Mortality – Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Disabled (pre-1980): Post-retirement rates set forward three years

Long-Term Expected Rate of Return on Pension Plan Investments

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.

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -8 PENSION PLANS (Continued)

OLD HIRE POLICE PENSION FUND – DEFINED BENEFIT PLAN (Continued)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and 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, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	10.0%	3.2%
Fixed Income	80.0%	5.0%
Managed Futures	0.0%	4.7%
Absolute Return	0.0%	5.0%
Long Short	0.0%	6.5%
Global Equity	10.0%	7.7%
Private Markets	0.0%	9.5%
Total	100.0%	

Single Discount Rate

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 4.50%; the municipal bond rate is 2.75% (based on the weekly rate closet to but no later than the measurement date of the “state & local bonds” rate from Federal Reserve statically release (H.15)); and the resulting Single Discount Rate is 4.50%. Projected cash flows used in determining the Single Discount Rate are available upon request to FPPA.

Net Pension Liability

The net pension liability was measured at December 31, 2019, the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated January 1, 2018, and the City’s fiscal year ending date, or reporting date, is December 31, 2020.

*Changes in Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at December 31, 2019	\$ 476,054	\$ 93,616	\$ 382,438
Change for the year:			
Interest	17,291	-	17,291
Difference between Expected & Actual Experience of the Total Pension Liability	(137,035)	-	(137,035)
Changes in Assumptions	18,217	-	18,217
Contributions – Employer	-	12,000	(12,000)
Contributions – Member	-	-	-
Net Investment Income	-	9,130	(9,130)
Benefit Payments	(44,877)	(44,877)	-
Administrative Expense	-	(1,617)	1,617
Net Changes	(146,404)	(25,364)	(121,040)
Balances at December 31, 2020	\$ 329,650	\$ 68,252	\$ 261,398

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -8 PENSION PLANS (Continued)

OLD HIRE POLICE PENSION FUND – DEFINED BENEFIT PLAN (Continued)

*Sensitivity of the Net Pension Liability / (Asset) to the Single Discount Rate Assumption* – The following table presents the net pension liability of the City at December 31, 2020, for the measurement period ending December 31, 2019, calculated using a Single Discount Rate of 2.85%, 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:

	<u>1% Decrease (1.85%)</u>	<u>Current Single Discount Rate Assumption (2.85%)</u>	<u>1% Increase (3.85%)</u>
Net Pension Liability	\$ 281,709	\$ 261,398	\$ 242,308

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

*Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* – For the year ended December 31, 2020; the City recognized pension revenue of \$103,182. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Assumption Changes	-	-
Net difference between projected and actual earnings on pension plan investments	5,854	6,915
Contributions subsequent to the measurement date	-	-
Total	\$ 5,854	\$ 6,915

\$0 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. 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, 2020:	
2021	\$ (201)
2022	(1,145)
2023	960
2024	(675)
2025	-
Thereafter	-
Total	\$ (1,061)

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”).

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -8 PENSION PLANS (Continued)

VOLUNTEER FIRE DEPARTMENT PENSION FUND – DEFINED BENEFIT PLAN (Continued)

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

*Investments* - Investments are reported at fair value.

Plan Information

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

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

The following is a summary of the participants:

Active Members	22
Retirees and Beneficiaries	3
Inactive, Nonretired Members	1
Total	26

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

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

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

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

Contributions

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

The contribution rate for members and the City for the Rocky Ford Volunteer Fire Department Pension Fund is 0% of covered salaries. Contribution was determined as part of the January 1, 2019 actuarial valuation. Total contribution for the year ended December 31, 2020 was \$5,035 and the actuarially determined contribution was \$0.

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -8 PENSION PLANS (Continued)

VOLUNTEER FIRE DEPARTMENT PENSION FUND – DEFINED BENEFIT PLAN (Continued)

*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, 2019, determines the contribution amounts for 2020 and 2021.

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending December 31, 2019:

- 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 – 7.50%
- Retirement Age – 50% per year of eligibility until 100% at age 65
- Mortality Rates – Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with scale BB, 55% multiplier for off-duty mortality.  
Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with scale

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

*Assumption Changes* – The assumptions shown above pertain to the actuarial valuation as of January 1, 2017 and the associated Actuarially Determined Contribution for the year ending December 31, 2019. Following an experience study in 2018, the Board adopted a new assumption set for first use in the January 1, 2019 valuations. This new assumption set is used in determining the Net Position Liability as of December 31, 2018 and as of December 31, 2019.

The primary changes, which can be observed in the January 1, 2019 valuation, as compared to the assumptions shown are as follows:

- Investment Rate of Return – 7.00%
- Mortality – Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.  
Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
- Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Long-Term Expected Rate of Return on Pension Plan Investments

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, 2017 are summarized in the table below:



CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -8 PENSION PLANS (Continued)

VOLUNTEER FIRE DEPARTMENT PENSION FUND – DEFINED BENEFIT PLAN (Continued)

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Cash	2.00%	2.52%
Fixed Income	15.00%	5.20%
Managed Futures	4.00%	5.00%
Absolute Return	8.00%	5.50%
Long Short	8.00%	6.00%
Global Equity	38.00%	7.00%
Private Markets	25.00%	9.20%
Total	100.00%	

Single Discount Rate

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.75% (based on the weekly rate closet to but no later than the measurement date of the "state & local bonds" rate from Federal Reserve statically 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.

Net Pension Liability (Asset)

The net pension liability (asset) was measured at December 31, 2019, the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation dated January 1, 2019, and the City's fiscal year ending date, or reporting date, is December 31, 2020.

*Changes in Net Pension Liability (Asset):*

	Increase (Decrease)		
	Total	Plan	Net
	Pension Liability (a)	Fiduciary Net Position (b)	Pension Liability (Asset) (a) – (b)
Balances at December 31, 2019	\$ 26,662	\$ 96,655	\$ (69,993)
Change for the year:			
Service Cost	432	-	432
Interest	1,844	-	1,844
Difference between Expected & Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Contributions – Employer	-	2,637	(2,637)
Contributions – Member	-	-	-
Net Investment Income	-	13,980	(13,980)
Benefit payments	(1,075)	(1,075)	-
Other Changes	-	2,993	(2,993)
Administrative Expense	-	(6,599)	6,599
Net Changes	1,201	11,936	(10,735)
Balances at December 31, 2020	\$ 27,863	\$ 108,591	\$ (80,728)

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -8 PENSION PLANS (Continued)

VOLUNTEER FIRE DEPARTMENT PENSION FUND – DEFINED BENEFIT PLAN (Continued)

*Sensitivity of the Net Pension Liability / (Asset) to the Single Discount Rate Assumption* – The following table presents the plan’s net pension liability / (asset) of the City at December 31, 2019, 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 <u>(6.00%)</u>	Current Single Discount Rate Assumption <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Net Pension Liability	\$ (76,647)	\$ (80,728)	\$ (83,971)

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

*Pension Expense/Revenue, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*– For the year ended December 31, 2020; the City recognized pension revenue of \$3,863. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 6	\$ 2,118
Assumption Changes	1,138	-
Net difference between projected and actual earnings on pension plan investments	4,795	8,435
Contributions subsequent to the measurement date	2,883	-
Total	\$ 8,822	\$ 10,553

\$2,883 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, 2020. 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, 2020:	
2019	\$ (1,135)
2020	(1,497)
2021	(185)
2022	(1,659)
2023	(138)
Thereafter	-
Total	\$ (4,614)

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -8 PENSION PLANS (Continued)

FIRE AND POLICE – DEFINED CONTRIBUTION PLANS

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

The City is the trustee of the Fire Defined Contribution Plan and the Police Defined Contribution 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 under the system for 2020 was \$299,116 and \$300,684 respectively. The City's contributions were calculated using a base salary amount of \$191,369 and \$234,482. Both City and the covered employees made the required 8 percent contribution or more, amounting to \$15,310 for the City match or a total of \$32,990 for the firemen and \$18,759 for the City match or a total of \$38,657 for the policemen. As of December 31, 2020, the market value of assets held by the plans are \$267,877 for Fire and \$313,309 for Police

CITY RETIREMENT – DEFINED CONTRIBUTION PLAN

*Plan Description* - The City provides pension benefits for all of its full-time employees through a defined contribution plan. 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 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 2020 was \$615,183. The City's contributions were calculated using the base salary amount of \$485,199. Both the City and the covered employees made the required contribution, amounting to \$24,260 and \$28,895, respectively, for a total of \$53,155. As of December 31, 2020, the market value of assets held was \$740,850.

NOTE -9 NET POSITION

Restricted net position represents net position whose users are subject to constraints that are either 1.) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or 2.) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2019 is as follows:

	Governmental Activities	Business-Type Activities	Total
Operations and Maintenance	\$	\$ 178,000	\$ 178,000
Future Expenditures	215,767	852,254	1,068,021
Conservation Trust	44,430	-	44,430
Emergencies - TABOR	83,200	-	83,200
	\$ 343,397	\$ 1,030,254	\$ 1,373,651

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -9 NET POSITION (Continued)

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

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

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

*Restricted for Emergencies - TABOR* – This represents approximately 3% of the City’s 2020 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 -10 FUND BALANCES

At December 31, 2020, fund balances for governmental funds consist of the following:

	<u>Restricted Fund Balance</u>			
	<u>Emergences TABOR</u>	<u>Future Expenditures</u>	<u>Conservation Trust</u>	<u>Total</u>
General Fund	\$ 83,200	\$ -	\$ -	\$ 83,200
Capital Improvement Fund	-	215,767	-	215,767
Conservation Trust Fund	-	-	44,430	44,430
Total	<u>\$ 83,200</u>	<u>\$ 215,767</u>	<u>\$ 44,430</u>	<u>\$ 343,397</u>

	<u>Committed Fund Balance</u>		
	<u>Community and Economic Development</u>	<u>Future Expenditures</u>	<u>Total</u>
Community Development Fund	\$ 33,082	\$ -	\$ 33,082
Gobin Community Building Fund	-	5,228	5,228
Total	<u>\$ 33,082</u>	<u>\$ 5,228</u>	<u>\$ 38,310</u>

NOTE -11 INTERFUND TRANSFERS

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, 2020 is as follows:

	<u>Transfers in (out)</u>	
	<u>General Fund</u>	<u>Solid Waste Utility Fund</u>
<u>Transfer (in) out:</u>		
General	\$ -	\$ (60,000)
Solid Waste Utility	60,000	-
Total	<u>\$ 60,000</u>	<u>\$ (60,000)</u>

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -12 RISK MANAGEMENT

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

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

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

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

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

NOTE -13 CONTINGENCIES AND COMMITMENTS

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

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

NOTE -14 TAX SPENDING AND DEBT LIMITATIONS

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

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). A portion of the fund balance has been restricted in compliance with this requirement. At December 31, 2020, \$83,200 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.

CITY OF ROCKY FORD, COLORADO  
NOTES TO FINANCIAL STATEMENTS

NOTE -14 TAX SPENDING AND DEBT LIMITATIONS (Continued)

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 -15 RELATED PARTY TRANSACTIONS

As indicated in Note -1, the City entered into an intergovernmental agreement with Otero County Landfill, Inc. (OCLI) regarding a landfill operation. For the year ended December 31, 2020, the City had expenditures of approximately \$87,000 to OCLI for its share of the costs of which \$0 was due and recorded as accounts payable in the Solid Waste Disposal Utility Fund. The City has recognized \$132,000 for its share of estimated closure and post closure care costs

NOTE -16 SUBSEQUENT EVENTS

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

**REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF ROCKY FORD, COLORADO

## OLD HIRE POLICE PENSION FUND

## SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS

YEAR ENDED DECEMBER 31, 2020

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

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



CITY OF ROCKY FORD, COLORADO

VOLUNTEER FIRE DEPARTMENT PENSION FUND

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

YEAR ENDED DECEMBER 31, 2020

MEASUREMENT PERIOD ENDING DECEMBER 31,	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY						
SERVICE COST	\$ 432	\$ 460	\$ 460	\$ 442	\$ 442	\$ 394
INTEREST	1,844	1,984	1,906	1,847	1,797	1,746
CHANGES TO BENEFIT TERMS	-	-	-	-	-	-
DIFFERENCE BETWEEN EXPECTED AND ACTUAL EXPERIENCE	-	(2,631)	-	(761)	-	180
ASSUMPTION CHANGES	-	1,275	-	679	-	-
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(1,075)	(1,275)	(1,375)	(1,488)	(1,665)	(1,650)
NET CHANGE IN TOTAL PENSION LIABILITY	1,201	(187)	991	719	574	670
TOTAL PENSION LIABILITY - BEGINNING	26,662	26,849	25,858	25,139	24,565	23,895
TOTAL PENSION LIABILITY - ENDING (a)	27,863	26,662	26,849	25,858	25,139	24,565
PLAN FIDUCIARY NET POSITION						
CONTRIBUTIONS - EMPLOYER	2,637	2,727	3,326	2,411	2,515	2,018
CONTRIBUTIONS - EMPLOYEE	-	-	-	-	-	-
NET INVESTMENT INCOME	13,980	73	13,318	4,679	1,483	5,176
BENEFIT PAYMENTS, INCLUDING LUMP SUMS	(1,075)	(1,275)	(1,375)	(1,488)	(1,665)	(1,650)
ADMINISTRATIVE EXPENSES	(6,599)	(7,529)	(6,739)	(414)	(1,270)	(504)
STATE FUNDING	2,993	-	2,170	1,816	1,816	1,767
NET CHANGE IN PLAN FIDUCIARY NET POSITION	11,936	(6,004)	10,700	7,004	2,879	6,807
PLAN FIDUCIARY NET POSITION - BEGINNING	96,655	102,659	91,959	84,955	82,076	75,269
PLAN FIDUCIARY NET POSITION - ENDING (b)	108,591	96,655	102,659	91,959	84,955	82,076
NET PENSION LIABILITY (ASSET) - ENDING	<u>\$ (80,728)</u>	<u>\$ (69,993)</u>	<u>\$ (75,810)</u>	<u>\$ (66,101)</u>	<u>\$ (59,816)</u>	<u>\$ (57,511)</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY (b) / (a)	389.73%	362.52%	382.36%	355.63%	337.94%	334.12%
COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A
PLAN'S NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A

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

CITY OF ROCKY FORD, COLORADO  
 OLD HIRE POLICE PENSION FUND  
 SCHEDULE OF PLAN CONTRIBUTIONS  
 YEAR ENDED DECEMBER 31, 2020

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

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

CITY OF ROCKY FORD, COLORADO  
VOLUNTEER FIRE DEPARTMENT PENSION FUND  
SCHEDULE OF PLAN CONTRIBUTIONS  
YEAR ENDED DECEMBER 31, 2020

FY ENDING DECEMBER 31, (a)	ACTUARIALLY DETERMINED CONTRIBUTION (b)	ACTUAL CONTRIBUTION* (c)	CONTRIBUTION DEFICIENCY (EXCESS) (d) = (b) - (c)	COVERED PAYROLL (e)	ACTUAL CONTRIBUTION AS A % OF COVERED PAYROLL (f)
2020	\$ -	\$ 5,035	\$ (5,035)	N/A	N/A
2019	\$ -	\$ 5,630	\$ (5,630)	N/A	N/A
2018	\$ -	\$ 2,727	\$ (2,727)	N/A	N/A
2017	\$ 5,496	\$ 5,496	-	N/A	N/A
2016	\$ 4,227	\$ 4,227	-	N/A	N/A
2015	\$ 4,331	\$ 4,331	-	N/A	N/A
2014	\$ 3,785	\$ 3,785	-	N/A	N/A

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

## CITY OF ROCKY FORD, COLORADO

## GENERAL FUND

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

YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
TAXES	\$ 1,558,800	\$ 1,558,800	\$ 1,948,400	\$ 389,600
LICENSES AND PERMITS	31,450	31,450	26,304	(5,146)
INTERGOVERNMENTAL	191,497	191,497	177,660	(13,837)
CHARGES FOR SERVICES	351,850	351,850	315,522	(36,328)
FINES	31,200	31,200	22,891	(8,309)
GRANTS	213,174	213,174	210,507	(2,667)
MISCELLANEOUS	9,120	9,120	187,201	178,081
TOTAL REVENUES	2,387,091	2,387,091	2,888,485	501,394
EXPENDITURES				
GENERAL GOVERNMENT	170,625	170,625	136,480	34,145
PUBLIC SAFETY	1,335,966	1,335,966	1,466,488	(130,522)
PUBLIC WORKS	302,170	302,170	282,633	19,537
HEALTH AND WELFARE	59,272	59,272	72,632	(13,360)
CULTURE AND RECREATION	298,336	298,336	304,929	(6,593)
GENERAL	498,359	498,359	510,787	(12,428)
TOTAL EXPENDITURES	2,664,728	2,664,728	2,773,949	(109,221)
REVENUES OVER (UNDER) EXPENDITURES	(277,637)	(277,637)	114,536	392,173
OTHER FINANCING SOURCES				
TRANSFERS IN	100,000	100,000	60,000	(40,000)
CONTRIBUTIONS	-	-	1,585	1,585
TOTAL OTHER FINANCING SOURCES	100,000	100,000	61,585	(38,415)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	(177,637)	(177,637)	176,121	353,758
FUND BALANCE JANUARY 1	283,697	283,697	283,697	-
FUND BALANCE DECEMBER 31	\$ 106,060	\$ 106,060	\$ 459,818	\$ 353,758

CITY OF ROCKY FORD, COLORADO

CAPITAL IMPROVEMENT FUND

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

YEARS ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
SALES TAX	\$ 300,000	\$ 300,000	\$ 384,357	\$ 84,357
EXPENDITURES				
STREET REPAIRS	250,000	250,000	337,224	(87,224)
TOTAL EXPENDITURES	250,000	250,000	337,224	(87,224)
REVENUES OVER (UNDER) EXPENDITURES	50,000	50,000	47,133	(2,867)
FUND BALANCE JANUARY 1	168,634	168,634	168,634	-
FUND BALANCE DECEMBER 31	\$ 218,634	\$ 218,634	\$ 215,767	\$ (2,867)

CITY OF ROCKY FORD, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

Measurement Period: January 1, 2019 - December 31, 2019 for the Fiscal Year Ending December 31, 2020 (December 31, 2019 measurement date). The City elected the one-year lookback for measurement date and measurement period purposes.

NOTE -2 SCHEDULES OF PLAN CONTRIBUTIONS

Actuarial Assumptions

OLD HIRE POLICE PENSION FUND

Valuation Date: January 1, 2020

Actuarially determined contribution rates are calculated as of January 1 of even numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2018, determines the contribution amounts for 2019 and 2020.

Significant actuarial methods and assumptions used to determine the contribution rates for the Old Hire Police 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	- 12 Years*
Asset Valuation Method	- 5-Year smoothed fair value
Inflation	- 2.50%
Salary Increase	- N/A
Investment Rate of Return	- 7.50%
Retirement Age	- Any remaining actives are assumed to retire immediately
Mortality (Annuities)	- <u>Post-retirement</u> : For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with Scale BB. <u>Disabled (pre-1980)</u> : RP-2014 Disabled Generational Mortality Table generationally projected with Scale BB with a minimum 3% rate for males and 2% rate for females.

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

VOLUNTEER FIRE DEPARTMENT PENSION FUND

Valuation Date: January 1, 2019

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, 2019, determines the contribution amounts for 2020 and 2021.

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

CITY OF ROCKY FORD, COLORADO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE -2 SCHEDULES OF PLAN CONTRIBUTIONS (Continued)

Actuarial Assumptions (Continued)

VOLUNTEER FIRE DEPARTMENT PENSION FUND (Continued)

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	-	7.50%
Retirement Age	-	50% per year of eligibility until 100% at age 65
Mortality (Annuities)	-	Pre-retirement: RP-2014 Mortality Tables for Blue Collar Employees, projected with scale BB, 55% multiplier for off-duty mortality.
	-	Post-retirement: For ages less than 55, RP-2014 Mortality Tables for Blue Collar Employees. For ages 65 and older, RP-2014 Mortality Tables for Blue Collar Healthy Annuitants. For ages 55 through 64, a blend of the previous tables. All tables are projected with scale BB.

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

## **OTHER 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, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CASH OR EQUIVALENTS	\$ 87,072	\$ 24,669
RESTRICTED ASSETS	15,191	-
RECEIVABLES:		
PROPERTY TAXES	288,400	286,500
GRANT	-	35,784
OTHER	<u>397,976</u>	<u>331,816</u>
 TOTAL ASSETS	 <u>\$ 788,639</u>	 <u>\$ 678,769</u>
 LIABILITIES		
ACCOUNTS PAYABLE	\$ 15,922	\$ 69,696
ACCRUED EXPENSES	<u>24,499</u>	<u>38,876</u>
 TOTAL LIABILITIES	 <u>40,421</u>	 <u>108,572</u>
 DEFERRED INFLOWS OF RESOURCES		
DEFERRED REVENUES - PROPERTY TAXES	<u>288,400</u>	<u>286,500</u>
 FUND BALANCE		
RESTRICTED FOR		
EMERGENCIES - TABOR	83,200	107,500
UNASSIGNED	<u>376,618</u>	<u>176,197</u>
 TOTAL FUND BALANCE	 <u>459,818</u>	 <u>283,697</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	 <u>\$ 788,639</u>	 <u>\$ 678,769</u>

CITY OF ROCKY FORD, COLORADO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
REVENUES		
TAXES	\$ 1,948,400	\$ 1,687,089
LICENSES AND PERMITS	26,304	38,360
INTERGOVERNMENTAL	177,660	216,224
CHARGES FOR SERVICES	315,522	415,693
FINES	22,891	42,017
GRANTS	210,507	650,707
MISCELLANEOUS	187,201	134,434
	<u>2,888,485</u>	<u>3,184,524</u>
TOTAL REVENUES		
EXPENDITURES		
GENERAL GOVERNMENT	136,480	170,045
PUBLIC SAFETY	1,466,488	2,104,309
PUBLIC WORKS	282,633	412,063
HEALTH AND WELFARE	72,632	99,389
CULTURE AND RECREATION	304,929	320,584
GENERAL	510,787	477,175
	<u>2,773,949</u>	<u>3,583,565</u>
TOTAL EXPENDITURES		
REVENUES OVER (UNDER) EXPENDITURES	<u>114,536</u>	<u>(399,041)</u>
OTHER FINANCING SOURCES		
TRANSFERS IN	60,000	100,000
CONTRIBUTIONS	1,585	1,682
	<u>61,585</u>	<u>101,682</u>
TOTAL OTHER FINANCING SOURCES		
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	176,121	(297,359)
FUND BALANCE JANUARY 1	<u>283,697</u>	<u>581,056</u>
FUND BALANCE DECEMBER 31	<u>\$ 459,818</u>	<u>\$ 283,697</u>

CITY OF ROCKY FORD, COLORADO

CAPITAL IMPROVEMENT FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
RESTRICTED CASH	\$ 153,371	\$ 117,825
ACCOUNTS RECEIVABLE	<u>62,396</u>	<u>50,809</u>
TOTAL ASSETS	<u>\$ 215,767</u>	<u>\$ 168,634</u>
LIABILITIES		
ACCOUNTS PAYABLE	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE		
RESTRICTED	<u>215,767</u>	<u>168,634</u>
TOTAL FUND BALANCE	<u>215,767</u>	<u>168,634</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 215,767</u>	<u>\$ 168,634</u>

CITY OF ROCKY FORD, COLORADO

CAPITAL IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
REVENUES		
SALES TAX	\$ 384,357	\$ 324,126
EXPENDITURES		
STREET REPAIRS	337,224	493,519
CAPITAL IMPROVEMENTS	-	-
TOTAL EXPENDITURES	<u>337,224</u>	<u>493,519</u>
REVENUES OVER (UNDER) EXPENDITURES	47,133	(169,393)
FUND BALANCE JANUARY 1	<u>168,634</u>	<u>338,027</u>
FUND BALANCE DECEMBER 31	<u><u>\$ 215,767</u></u>	<u><u>\$ 168,634</u></u>

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

CITY OF ROCKY FORD, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

DECEMBER 31, 2020

	COMMUNITY DEVELOPMENT	GOBIN COMMUNITY BUILDING	CONSERVATION TRUST	GRAND THEATER	TOTAL
ASSETS					
CASH OR EQUIVALENTS	\$ 33,082	\$ 5,228	\$ 44,430	\$ -	\$ 82,740
LIABILITIES					
ACCOUNTS PAYABLE	\$ -	\$ -	\$ -	\$ 7,678	\$ 7,678
TOTAL LIABILITIES	-	-	-	7,678	7,678
FUND BALANCE					
RESTRICTED	-	-	44,430	-	44,430
COMMITTED	33,082	5,228	-	-	38,310
UNASSIGNED	-	-	-	(7,678)	(7,678)
TOTAL FUND BALANCE (DEFICIT)	33,082	5,228	44,430	(7,678)	75,062
TOTAL LIABILITIES AND FUND BALANCE	\$ 33,082	\$ 5,228	\$ 44,430	\$ -	\$ 82,740

CITY OF ROCKY FORD, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

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

YEAR ENDED DECEMBER 31, 2020

	COMMUNITY DEVELOPMENT	GOBIN COMMUNITY BUILDING	CONSERVATION TRUST	GRAND THEATER	TOTAL
REVENUES					
INTERGOVERNMENTAL	\$ -	\$ -	\$ 39,553	\$ -	\$ 39,553
CHARGES FOR SERVICES	-	-	-	22,151	22,151
MISCELLANEOUS	7,305	-	22	14,662	21,989
TOTAL REVENUES	7,305	-	39,575	36,813	83,693
EXPENDITURES					
COMMUNITY DEVELOPMENT	18,348	-	-	-	18,348
CULTURE AND RECREATION	-	-	101,491	37,204	138,695
TOTAL EXPENDITURES	18,348	-	101,491	37,204	157,043
REVENUES OVER (UNDER) EXPENDITURES	(11,043)	-	(61,916)	(391)	(73,350)
OTHER FINANCING SOURCES TRANSFERS IN (OUT)	-	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(11,043)	-	(61,916)	(391)	(73,350)
FUND BALANCE (DEFICIT) JANUARY 1	44,125	5,228	106,346	(7,287)	148,412
FUND BALANCE (DEFICIT) DECEMBER 31	\$ 33,082	\$ 5,228	\$ 44,430	\$ (7,678)	\$ 75,062



CITY OF ROCKY FORD, COLORADO

COMMUNITY DEVELOPMENT FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ 33,082</u>	<u>\$ 44,227</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ 102
UNEARNED RENT	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	-	102
FUND BALANCE		
COMMITTED	<u>33,082</u>	<u>44,125</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 33,082</u>	<u>\$ 44,227</u>

CITY OF ROCKY FORD, COLORADO

COMMUNITY DEVELOPMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		VARIANCE FAVORABLE (UNFAVORABLE)	2019 ACTUAL
	ACTUAL	BUDGET		
REVENUES				
RENT AND OTHER	\$ 7,305	\$ 10,000	\$ (2,695)	\$ 10,955
TOTAL REVENUES	7,305	10,000	(2,695)	10,955
EXPENDITURES				
COMMUNITY DEVELOPMENT	18,348	20,230	1,882	7,721
REVENUES OVER (UNDER) EXPENDITURES	(11,043)	(10,230)	(813)	3,234
FUND BALANCE JANUARY 1	44,125	44,125	-	40,891
FUND BALANCE DECEMBER 31	\$ 33,082	\$ 33,895	\$ (813)	\$ 44,125

CITY OF ROCKY FORD, COLORADO

GOBIN COMMUNITY BUILDING FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ 5,228</u>	<u>\$ 5,228</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
COMMITTED	<u>5,228</u>	<u>5,228</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5,228</u>	<u>\$ 5,228</u>

CITY OF ROCKY FORD, COLORADO

GOBIN COMMUNITY BUILDING FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		VARIANCE	2019
	ACTUAL	BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
INTEREST INCOME	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
UTILITIES AND UPKEEP	-	-	-	35
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(35)
FUND BALANCE JANUARY 1	5,228	5,228	-	5,263
FUND BALANCE DECEMBER 31	\$ 5,228	\$ 5,228	\$ -	\$ 5,228

CITY OF ROCKY FORD, COLORADO

CONSERVATION TRUST FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ 44,430</u>	<u>\$ 106,346</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ -	\$ -
FUND BALANCE		
RESTRICTED	<u>44,430</u>	<u>106,346</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 44,430</u>	<u>\$ 106,346</u>

CITY OF ROCKY FORD, COLORADO

CONSERVATION TRUST FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		VARIANCE FAVORABLE (UNFAVORABLE)	2019 ACTUAL
	ACTUAL	BUDGET		
REVENUES				
INTERGOVERNMENTAL INTEREST	\$ 39,553 22	\$ 38,000 30	\$ 1,553 (8)	\$ 39,738 34
TOTAL REVENUES	39,575	38,030	1,545	39,772
EXPENDITURES				
RECREATION AND MAINTENANCE	101,491	62,000	(39,491)	66,148
REVENUES OVER (UNDER) EXPENDITURES	(61,916)	(23,970)	(37,946)	(26,376)
FUND BALANCE JANUARY 1	106,346	106,346	-	132,722
FUND BALANCE DECEMBER 31	\$ 44,430	\$ 82,376	\$ (37,946)	\$ 106,346

CITY OF ROCKY FORD, COLORADO

GRAND THEATER FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CASH OR EQUIVALENTS	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES		
ACCOUNTS PAYABLE	\$ 7,678	\$ 7,287
FUND BALANCE (DEFICIT)		
UNASSIGNED	<u>(7,678)</u>	<u>(7,287)</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ -</u>

CITY OF ROCKY FORD, COLORADO

GRAND THEATER FUND

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

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		VARIANCE	2019
	ACTUAL	BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
SALES	\$ 22,151	\$ 90,000	\$ (67,849)	\$ 89,615
RENT AND OTHER	14,662	8,550	6,112	9,628
TOTAL REVENUES	36,813	98,550	(61,737)	99,243
EXPENDITURES				
SALARIES & BENEFITS	9,692	26,913	17,221	26,485
CONCESSIONS	3,918	14,000	10,082	14,677
FILMS	7,988	35,500	27,512	33,377
LIVE PERFORMANCES	-	3,500	3,500	3,446
REPAIRS	143	600	457	734
UTILITIES	9,159	13,200	4,041	13,724
OTHER	6,304	11,936	5,632	12,937
TOTAL EXPENDITURES	37,204	105,649	68,445	105,380
REVENUES OVER (UNDER) EXPENDITURES	(391)	(7,099)	6,708	(6,137)
FUND BALANCE (DEFICIT) JANUARY 1	(7,287)	(7,287)	-	(1,150)
FUND BALANCE (DEFICIT) DECEMBER 31	\$ (7,678)	\$ (14,386)	\$ 6,708	\$ (7,287)



## 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, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 1,246,721	\$ 1,114,352
ACCOUNTS RECEIVABLE - BILLED (NET)	80,331	78,767
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	14,600	15,753
PREPAID EXPENSES	17,898	17,898
INVENTORIES - SUPPLIES & MATERIALS	53,972	43,967
INVENTORIES - WATER	23,059	19,178
TOTAL CURRENT ASSETS	<u>\$1,436,581</u>	<u>\$1,289,915</u>
RESTRICTED ASSETS		
RESTRICTED CASH	<u>848,636</u>	<u>870,528</u>
PROPERTY AND EQUIPMENT		
LAND, WATER SYSTEM, AND EQUIPMENT - AT COST	17,200,236	17,200,236
ACCUMULATED DEPRECIATION	<u>(9,691,660)</u>	<u>(9,303,684)</u>
NET PROPERTY AND EQUIPMENT	<u>7,508,576</u>	<u>7,896,552</u>
TOTAL ASSETS	<u>\$ 9,793,793</u>	<u>\$ 10,056,995</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 13,107	\$ 20,256
ACCRUED SALARIES AND BENEFITS	14,793	15,420
ACCRUED INTEREST	21,916	22,360
BONDS PAYABLE - CURRENT MATURITY	49,407	47,364
LEASES PAYABLE - CURRENT MATURITY	<u>88,339</u>	<u>153,575</u>
TOTAL CURRENT LIABILITIES	<u>187,562</u>	<u>258,975</u>
TERM LIABILITIES		
BONDS PAYABLE	2,294,674	2,344,307
LEASES PAYABLE	<u>656,152</u>	<u>744,491</u>
TOTAL TERM LIABILITIES	<u>2,950,826</u>	<u>3,088,798</u>
OTHER LIABILITIES		
CUSTOMER DEPOSITS	<u>121,140</u>	<u>112,362</u>
TOTAL LIABILITIES	<u>3,259,528</u>	<u>3,460,135</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	4,420,004	4,606,815
RESTRICTED FOR FUTURE EXPENDITURES	848,636	870,528
UNRESTRICTED	<u>1,265,625</u>	<u>1,119,517</u>
TOTAL NET POSITION	<u>6,534,265</u>	<u>6,596,860</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 9,793,793</u>	<u>\$ 10,056,995</u>

CITY OF ROCKY FORD, COLORADO

WATER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 786,425	\$ 734,635
SPECIAL ASSESSMENTS	402,960	401,300
TOTAL OPERATING REVENUES	<u>1,189,385</u>	<u>1,135,935</u>
OPERATING EXPENSES		
SOURCE OF SUPPLY	337,264	251,804
SUPPLY MAINTENANCE	46,107	35,735
DISTRIBUTION AND OPERATING SUPPLIES	112,658	86,725
ACCOUNTING AND GENERAL ADMINISTRATION	289,383	280,966
DEPRECIATION	387,976	402,137
TOTAL OPERATING EXPENSES	<u>1,173,388</u>	<u>1,057,367</u>
OPERATING INCOME	<u>15,997</u>	<u>78,568</u>
NONOPERATING REVENUES (EXPENSES)		
INTEREST AND RENT INCOME - NET OF RELATED EXPENSES	17,965	17,763
INTEREST EXPENSE	(115,535)	(120,525)
NONRECURRING REVENUE	9,168	10,406
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(88,402)</u>	<u>(92,356)</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>(72,405)</u>	<u>(13,788)</u>
TRANSFERS	-	(2,930)
CAPITAL CONTRIBUTIONS	9,810	-
CHANGE IN NET POSITION	<u>(62,595)</u>	<u>(16,718)</u>
NET POSITION JANUARY 1	<u>6,596,860</u>	<u>6,613,578</u>
NET POSITION DECEMBER 31	<u>\$ 6,534,265</u>	<u>\$ 6,596,860</u>

CITY OF ROCKY FORD, COLORADO

WATER UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 1,188,974	\$ 1,136,146
CASH PAYMENTS TO SUPPLIERS OF GOODS OR SERVICES	(520,730)	(403,263)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(286,344)	(221,692)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>381,900</u>	<u>511,191</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
CUSTOMER DEPOSITS	8,778	6,647
TRANSFERS (OUT)	-	(2,930)
OTHER	9,168	10,406
NET CASH PROVIDED BY (USED FOR) NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>17,946</u>	<u>14,123</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
CAPITAL CONTRIBUTED	9,810	-
PRINCIPAL PAID ON BONDS	(47,590)	(45,854)
PRINCIPAL PAID ON LEASE	(153,575)	(97,799)
INTEREST PAID	(115,979)	(121,122)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(307,334)</u>	<u>(264,775)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
INTEREST ON INVESTMENTS AND OTHER	17,965	17,763
NET CASH USED FOR INVESTING ACTIVITIES	<u>17,965</u>	<u>17,763</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	110,477	278,302
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	<u>1,984,880</u>	<u>1,706,578</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u>\$ 2,095,357</u>	<u>\$ 1,984,880</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	<u>\$ 15,997</u>	<u>\$ 78,568</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	387,976	402,137
CHANGE IN ASSETS AND LIABILITIES		
ACCOUNTS RECEIVABLE	(411)	211
PREPAID EXPENSES	-	7,890
INVENTORIES	(13,886)	6,656
ACCOUNTS PAYABLE	(7,149)	8,511
ACCRUED SALARIES AND BENEFITS	(627)	7,218
TOTAL ADJUSTMENTS	<u>365,903</u>	<u>432,623</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 381,900</u>	<u>\$ 511,191</u>

CITY OF ROCKY FORD, COLORADO

SEWER UTILITY FUND

BALANCE SHEET

DECEMBER 31, 2020 AND 2019

	2020	2019
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 618,222	\$ 521,829
ACCOUNTS RECEIVABLE - BILLED (NET)	82,710	62,694
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	24,900	21,872
INVENTORIES	4,485	1,755
TOTAL CURRENT ASSETS	<u>730,317</u>	<u>608,150</u>
RESTRICTED ASSETS		
RESTRICTED CASH	<u>3,618</u>	<u>13</u>
PROPERTY AND EQUIPMENT		
LAND, SEWER SYSTEM AND EQUIPMENT - AT COST	5,841,047	5,841,047
ACCUMULATED DEPRECIATION	<u>(2,572,691)</u>	<u>(2,388,386)</u>
NET PROPERTY AND EQUIPMENT	<u>3,268,356</u>	<u>3,452,661</u>
TOTAL ASSETS	<u>\$ 4,002,291</u>	<u>\$ 4,060,824</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 10,811	\$ 10,223
ACCRUED SALARIES AND BENEFITS	18,904	19,252
ACCRUED INTEREST	922	1,014
CURRENT PORTION - LOANS PAYABLE	<u>118,642</u>	<u>118,362</u>
TOTAL CURRENT LIABILITIES	149,279	148,851
TERM LIABILITIES		
LOANS PAYABLE	<u>1,416,818</u>	<u>1,535,460</u>
TOTAL LIABILITIES	<u>1,566,097</u>	<u>1,684,311</u>
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	1,732,895	1,798,840
RESTRICTED FOR:		
OPERATIONS AND MAINTENANCE	178,000	144,000
FUTURE EXPENDITURES	3,618	13
UNRESTRICTED	<u>521,681</u>	<u>433,660</u>
TOTAL NET POSITION	<u>2,436,194</u>	<u>2,376,513</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,002,291</u>	<u>\$ 4,060,824</u>

CITY OF ROCKY FORD, COLORADO

SEWER UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 839,746	\$ 679,854
SPECIAL ASSESSMENTS	107,807	107,380
	<u>947,553</u>	<u>787,234</u>
OPERATING EXPENSES		
COLLECTION SYSTEM	480,648	383,289
ACCOUNTING AND GENERAL ADMINISTRATION	223,211	187,949
DEPRECIATION	184,305	190,889
	<u>888,164</u>	<u>762,127</u>
TOTAL OPERATING EXPENSES		
	<u>59,389</u>	<u>25,107</u>
OPERATING INCOME (LOSS)		
	<u>59,389</u>	<u>25,107</u>
NONOPERATING REVENUES (EXPENSES)		
MISCELLANEOUS INCOME	785	134
INTEREST EXPENSE	(2,993)	(2,556)
	<u>(2,208)</u>	<u>(2,422)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)		
	<u>(2,208)</u>	<u>(2,422)</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	57,181	22,685
TRANSFER IN	-	5,860
CAPITAL CONTRIBUTIONS	2,500	-
	<u>2,500</u>	<u>-</u>
CHANGE IN NET POSITION	59,681	28,545
NET POSITION JANUARY 1	<u>2,376,513</u>	<u>2,347,968</u>
NET POSITION DECEMBER 31	<u>\$ 2,436,194</u>	<u>\$ 2,376,513</u>

CITY OF ROCKY FORD, COLORADO

SEWER UTILITY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 924,509	\$ 787,802
CASH PAYMENTS TO SUPPLIERS OF GOODS OR SERVICES	(456,215)	(325,380)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(250,134)	(224,976)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>218,160</u>	<u>237,446</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
TRANSFER IN (OUT)	-	5,860
MISCELLANEOUS INCOME	785	134
NET CASH PROVIDED BY (USED FOR) NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>785</u>	<u>5,994</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
CAPITAL CONTRIBUTED	2,500	-
PAYMENT ON LOANS	(118,362)	(126,733)
INTEREST PAID	(3,085)	(3,504)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(118,947)</u>	<u>(130,237)</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	99,998	113,203
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	<u>521,842</u>	<u>408,639</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u>\$ 621,840</u>	<u>\$ 521,842</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	<u>\$ 59,389</u>	<u>\$ 25,107</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	184,305	190,889
CHANGE IN ASSETS AND LIABILITIES		
ACCOUNTS RECEIVABLE	(23,044)	568
PREPAID EXPENSES	-	1,827
INVENTORIES	(2,730)	707
ACCOUNTS PAYABLE	588	9,826
ACCRUED SALARIES AND BENEFITS	(348)	8,522
TOTAL ADJUSTMENTS	<u>158,771</u>	<u>212,339</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 218,160</u>	<u>\$ 237,446</u>

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

DECEMBER 31, 2020 AND 2019

	2020	2019
CURRENT ASSETS		
CASH OR EQUIVALENTS	\$ 593,241	\$ 574,103
ACCOUNTS RECEIVABLE - BILLED CUSTOMERS (NET)	51,977	50,631
ACCOUNTS RECEIVABLE - UNBILLED CUSTOMERS	15,200	17,374
	660,418	642,108
 EQUIPMENT		
EQUIPMENT - AT COST	1,018,125	766,846
ACCUMULATED DEPRECIATION	(661,922)	(629,779)
	356,203	137,067
 TOTAL ASSETS	\$ 1,016,621	\$ 779,175
 CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 2,981	\$ 27,201
ACCRUED SALARIES AND BENEFITS	20,271	22,878
ACCRUED INTEREST	884	-
CURRENT PORTION - LOAN PAYABLE	51,476	-
CURRENT PORTION -LANDFILL COSTS	33,000	33,000
	108,612	83,079
 TOTAL CURRENT LIABILITIES	108,612	83,079
 TERM LIABILITIES		
LOAN PAYABLE	192,035	-
ACCRUED LANDFILL COSTS	99,000	99,000
	291,035	99,000
 TOTAL TERM LIABILITIES	291,035	99,000
 TOTAL LIABILITIES	399,647	182,079
 NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	112,692	137,067
UNRESTRICTED	504,282	460,029
	616,974	597,096
 TOTAL NET POSITION	616,974	597,096
 TOTAL LIABILITIES AND NET POSITION	\$ 1,016,621	\$ 779,175



CITY OF ROCKY FORD, COLORADO

SOLID WASTE DISPOSAL UTILITY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
CHARGES FOR SERVICES	\$ 635,207	\$ 626,927
OPERATING EXPENSES		
COLLECTION	307,494	303,641
ACCOUNTING AND GENERAL ADMINISTRATION	213,976	166,218
DEPRECIATION	32,143	27,157
TOTAL OPERATING EXPENSES	<u>553,613</u>	<u>497,016</u>
OPERATING INCOME	<u>81,594</u>	<u>129,911</u>
NONOPERATING REVENUES (EXPENSES)		
MISCELLANEOUS INCOME	1,400	7,300
INTEREST EXPENSE	(3,116)	(686)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(1,716)</u>	<u>6,614</u>
INCOME BEFORE TRANSFERS AND SPECIAL ITEM	79,878	136,525
TRANSFER OUT	(60,000)	(102,930)
SPECIAL ITEM - CHANGE IN ACCOUNTING ESTIMATE	-	22,700
CHANGE IN NET POSITION	19,878	56,295
NET POSITION JANUARY 1	<u>597,096</u>	<u>540,801</u>
NET POSITION DECEMBER 31	<u>\$ 616,974</u>	<u>\$ 597,096</u>

CITY OF ROCKY FORD, COLORADO  
SOLID WASTE DISPOSAL UTILITY FUND  
STATEMENT OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 636,035	\$ 628,159
CASH PAYMENTS TO SUPPLIERS OF GOODS OR SERVICES	(274,798)	(218,481)
CASH PAYMENTS TO EMPLOYEES FOR SERVICES	(273,499)	(244,297)
NET CASH PROVIDED BY OPERATING ACTIVITIES	87,738	165,381
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
TRANSFERS OUT	(60,000)	(102,930)
MISCELLANEOUS INCOME	1,400	7,300
NET CASH USED FOR NONCAPITAL AND RELATED FINANCING ACTIVITIES	(58,600)	(95,630)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
ACQUISITION OF CAPITAL ASSETS	(251,279)	-
PROCEEDS ON LOAN PAYABLE	251,279	-
PAYMENT ON LOAN PAYABLE	(7,768)	(34,232)
INTEREST PAID	(2,232)	(686)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(10,000)	(34,918)
NET CHANGE IN CASH AND CASH EQUIVALENTS	19,138	34,833
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	574,103	539,270
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 593,241	\$ 574,103
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME	\$ 81,594	\$ 129,911
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	32,143	27,157
CHANGE IN ASSETS AND LIABILITIES		
ACCOUNTS RECEIVABLE	828	1,232
PREPAID EXPENSES	-	2,741
ACCOUNTS PAYABLE	(24,220)	1,470
ACCRUED SALARIES & BENEFITS	(2,607)	2,870
TOTAL ADJUSTMENTS	6,144	35,470
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 87,738	\$ 165,381

## CITY OF ROCKY FORD, COLORADO

## WATER UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	\$ 1,100,000	\$ 1,100,000	\$ 1,189,385	\$ 89,385
INTEREST AND RENT	52,110	52,110	17,965	(34,145)
OTHER	12,000	12,000	9,168	(2,832)
TOTAL REVENUES	<u>1,164,110</u>	<u>1,164,110</u>	<u>1,216,518</u>	<u>52,408</u>
EXPENDITURES				
SOURCE OF SUPPLY	301,300	301,300	337,264	(35,964)
SUPPLY MAINTENANCE	14,500	14,500	46,107	(31,607)
DISTRIBUTION AND OPERATING SUPPLIES	164,200	164,200	112,658	51,542
ACCOUNTING AND GENERAL ADMINISTRATION	257,717	257,717	289,383	(31,666)
DEPRECIATION	-	-	387,976	(387,976)
INTEREST	85,434	85,434	115,535	(30,101)
DEBT RETIREMENT	202,000	202,000	201,165	835
TOTAL EXPENDITURES	<u>1,025,151</u>	<u>1,025,151</u>	<u>1,490,088</u>	<u>(464,937)</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	138,959	138,959	(273,570)	(412,529)
OTHER FINANCING SOURCES				
CAPITAL CONTRIBUTIONS	-	-	9,810	9,810
	<u>\$ 138,959</u>	<u>\$ 138,959</u>	<u>(263,760)</u>	<u>\$ (402,719)</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
DEBT RETIREMENT			<u>201,165</u>	
CHANGE IN NET POSITION			(62,595)	
NET POSITION JANUARY 1			<u>6,596,860</u>	
NET POSITION DECEMBER 31			<u>\$ 6,534,265</u>	

CITY OF ROCKY FORD, COLORADO

SEWER UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2020

	BUDGET AMOUNTS		ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
CHARGES FOR SERVICES	\$ 760,000	\$ 760,000	\$ 947,553	\$ 187,553
INTEREST AND OTHER	50	50	785	735
TOTAL REVENUES	<u>760,050</u>	<u>760,050</u>	<u>948,338</u>	<u>188,288</u>
EXPENDITURES				
COLLECTION SYSTEM	430,566	430,566	480,648	(50,082)
ACCOUNTING AND GENERAL ADMINISTRATION	211,165	211,165	223,211	(12,046)
DEPRECIATION	-	-	184,305	(184,305)
INTEREST	8,680	8,680	2,993	5,687
DEBT RETIREMENT	112,766	112,766	118,362	(5,596)
TOTAL EXPENDITURES	<u>763,177</u>	<u>763,177</u>	<u>1,009,519</u>	<u>(246,342)</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(3,127)	(3,127)	(61,181)	(58,054)
OTHER FINANCING SOURCES				
CAPITAL CONTRIBUTIONS	-	-	2,500	2,500
	<u>\$ (3,127)</u>	<u>\$ (3,127)</u>	<u>(58,681)</u>	<u>\$ (55,554)</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
DEBT RETIREMENT			<u>118,362</u>	
CHANGE IN NET POSITION			59,681	
NET POSITION JANUARY 1			<u>2,376,513</u>	
NET POSITION DECEMBER 31			<u>\$ 2,436,194</u>	

CITY OF ROCKY FORD, COLORADO

SOLID WASTE DISPOSAL UTILITY FUND

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

YEAR ENDED DECEMBER 31, 2020

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
CHARGES FOR SERVICES	\$ 625,000	\$ 625,000	\$ 635,207	\$ 10,207
MISCELLANEOUS INCOME	17,500	17,500	1,400	(16,100)
TOTAL REVENUES	642,500	642,500	636,607	(5,893)
EXPENDITURES				
COLLECTION	336,500	336,500	307,494	29,006
ACCOUNTING AND GENERAL ADMINISTRATION	186,005	186,005	213,976	(27,971)
DEPRECIATION	-	-	32,143	(32,143)
INTEREST	-	-	3,116	(3,116)
CAPITAL OUTLAY	26,163	26,163	251,279	(225,116)
DEBT RETIREMENT	-	-	7,768	(7,768)
TOTAL EXPENDITURES	548,668	548,668	815,776	(267,108)
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	93,832	93,832	(179,169)	(273,001)
TRANSFERS	-	(100,000)	(60,000)	40,000
DEBT PROCEEDS	-	-	251,279	251,279
	<u>\$ 93,832</u>	<u>\$ (6,168)</u>	12,110	<u>\$ 18,278</u>
ADJUSTMENTS TO RECONCILE BUDGETARY BASIS TO GAAP BASIS				
CAPITALIZATION OF FIXED ASSETS			251,279	
DEBT RETIREMENT			7,768	
DEBT PROCEEDS			(251,279)	
CHANGE IN NET POSITION			19,878	
NET POSITION JANUARY 1			<u>597,096</u>	
NET POSITION DECEMBER 31			<u>\$ 616,974</u>	

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

# HANCOCK FROESE & COMPANY LLC

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

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

## INDEPENDENT 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

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 and each major fund of the City of Rocky Ford, Colorado, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Rocky Ford, Colorado's basic financial statements, and have issued our report thereon dated July 20, 2021.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the City of Rocky Ford, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

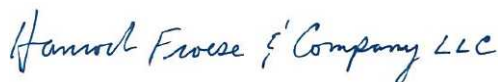
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

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



Hancock Froese & Company LLC

July 20, 2021

## **LOCAL HIGHWAY FINANCE REPORT**



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

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: <b>CITY OF ROCKY FORD, COLORADO</b>
		YEAR ENDING : December 2020
This Information From The Records Of (example - City of _ or County	Prepared By: Phone:	SHANNON WALLACE 719-254-7414

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

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

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	137,187
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	31,725
2. General fund appropriations		b. Snow and ice removal	0
3. Other local imposts (from page 2)	62,592	c. Other	0
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	31,725
5. Transfers from toll facilities		4. General administration & miscellaneous	19,913
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	188,825
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	62,592	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government (from page 2)</b>		2. Notes:	
	126,233	a. Interest	
<b>D. Receipts from Federal Government (from page 2)</b>		b. Redemption	
	0	c. Total (a. + b.)	0
<b>E. Total receipts (A.7 + B + C + D)</b>		3. Total (1.c + 2.c)	0
	188,825	<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	
			188,825

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	188,825	188,825	0	0

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2020

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	62,592	g. Other Misc. Receipts	
6. Total (1. through 5.)	62,592	h. Other	
c. Total (a. + b.)	62,592	i. Total (a. through h.)	0
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	111,914	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	14,319	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	14,319	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	126,233	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: