

Town of Palisade, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2023



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Town of Palisade, Colorado

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December 31, 2023

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Town of Palisade, Colorado

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**HINKLE &
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Business Advisors

Independent Auditor's Report

Honorable Mayor and Members of the Board of Trustees
Town of Palisade
Palisade, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the Town of Palisade, Colorado (the Town) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town, as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Town's 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information 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 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 Town's basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hick & Company, PC

Englewood, Colorado
July 29, 2024



Town of Palisade, Colorado
Management's Discussion and Analysis
December 31, 2023

As Town of Palisade Management, we offer the users of the Town of Palisade financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2023.

Financial Highlights

The Town of Palisade's assets and deferred outflows of resources of \$57.5 million exceeded Town liabilities and deferred inflows of resources of \$4.9 million by \$52.6 million as of December 31, 2023. Of this amount, \$23.7 million is unrestricted, \$28.6 million is invested in capital assets such as land and improvements, buildings, vehicles, furniture, and equipment and \$256,895 is held for emergencies in compliance with Article X of the Colorado State Constitution.

Total revenue for the Town increased 12% in 2023 due to increases in interest income and capital grant proceeds. Total expenses increased by 22.3% in 2023 as compared to 2022. This resulted in an increase in the Town's net position of \$6.9 million in 2023.

Access to financial resources allows the Town to meet obligations and continue to provide day-to-day services necessary for the health, safety, and welfare for our citizens. One measure of this access is liquidity and can be measured as a ratio between current assets and current liabilities known as the current ratio. Current assets include cash and resources likely to be converted to cash within the next year. Current liabilities include financial obligations that the Town will have to fulfill within the next year. A larger ratio between these elements indicates that the Town has greater liquidity and thus a more secure position. In 2023, the town has a government wide current ratio of 18.2. This is a very strong current asset position.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Palisade's basic financial statements, which are comprised of government-wide financial statements, governmental funds financial statements, proprietary fund financial statements, fiduciary fund financial statements and notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Palisade finances in a manner like a private sector business.

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

Town of Palisade, Colorado
Management's Discussion and Analysis
December 31, 2023

The *statement of activities* presents information showing how the Town's net position changed over the past year. All changes in the Town's net position are reported when an "event" causing a change occurs, regardless of when related cash flows occur. As a result, some revenues and expenses, reported in this statement, will result in cash flows in future financial periods. Examples include grants, not yet reimbursed or vacation leave earned, but not used.

Both of the government-wide financial statements distinguish activities of the Town of Palisade that are primarily supported by taxes and state or federal monies (intergovernmental activities) from activities that are intended to be funded primarily from user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works and parks, culture and recreation and cemetery. The business-type activities of the Town include water, sewer, and refuse collection.

Fund Financial Statements

A *fund* is a balancing set of accounts that is used to maintain control over resources that have been set aside for specific activities or purposes. The accounting within a fund is akin to accounting for an individual business. The Town of Palisade uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the Town's funds can be categorized into two fund types: governmental and proprietary.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, governmental fund financial statements focus on near-term flows of spendable resources, as well as on balances of spendable resources available at the end of the year. This information is helpful in evaluating the Town's near-term financing requirements.

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

The Town of Palisade maintains four governmental funds. The *General Fund*, the only major governmental fund, is distinctly identified in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance. The other governmental funds are combined as non-major governmental funds in the basic financial statements. These funds are articulated distinctly in the Required Supplemental Information (RSI) section of the financial statements.

Proprietary Funds. The Town of Palisade maintains three proprietary funds. There are two types of proprietary funds, Internal service funds and Enterprise funds, of which the Town only

Town of Palisade, Colorado
Management's Discussion and Analysis
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maintains Enterprise funds. *Enterprise funds* are used to report business-like interactions and are presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for water, sewer and refuse collection activities. The enterprise funds financial statements provide separate information for the water and sewer and refuse funds, which are considered to be major funds of the Town. The sewer and refuse collection services of the town are combined and reported as the *Utilities Fund*.

Budgetary Comparisons. The Town of Palisade adopts an annual appropriated budget for all of its funds. Budget to actual comparisons for each fund are provided elsewhere in this report.

Notes to the Financial Statements. These notes provide additional information that is necessary in gaining a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS

Net Position. Net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2023, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$53.5 million. The Town's net position as of December 31, 2023 was \$42.1 million.

The following table provides a summary of the Town's governmental and business-type net position as of December 31, 2023 with comparison to December 31, 2022.

Town of Palisade, Colorado
Management's Discussion and Analysis
December 31, 2023

	Governmental		Net Position		Total	Total
	Activities		Business-Type			
	2022	2023	2022	2023		
Assets						
Current Assets	\$ 13,596,081	\$ 19,770,307	\$ 5,005,179	\$ 4,960,567	\$ 18,601,260	\$ 24,730,874
Capital Assets	14,867,745	19,378,140	12,540,461	12,820,714	27,408,206	32,198,854
Net Pension Asset	1,486,872	575,105	-		1,486,872	575,105
Total Current Assets	29,950,698	39,723,552	17,545,640	17,781,281	47,496,338	57,504,833
Deferred Outflows of Resources	350,200	779,985	-		350,200	779,985
Total Assets and Deferred Outflows of Resources	30,300,898	40,503,537	17,545,640	17,781,281	47,846,538	58,284,818
Liabilities						
Current Liabilities	1,006,689	754,898	597,245	602,262	1,603,934	1,357,160
Long-Term Liabilities	-	2,588,448	3,007,658	2,588,448	3,007,658	5,176,896
Total Liabilities	1,006,689	3,343,346	3,604,903	3,190,710	52,458,130	6,534,056
Deferred Inflows of Resources	1,164,476	729,868	-		1,164,476	729,868
Total Liabilities and Deferred Inflows of Resources	2,171,165	4,073,214	3,604,903	3,190,710	5,776,068	7,263,924
Net Position						
Net Investment in Capital Assets	14,867,745	19,378,140	9,117,039	9,241,954	23,984,784	28,620,094
Restricted for Emergencies	256,895	256,895	-		256,895	256,895
Unrestricted	13,005,093	19,247,211	4,823,698	5,348,617	17,828,791	24,595,828
Total Net Position	28,129,733	38,882,246	13,940,737	14,590,571	42,070,470	53,472,817

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The Town of Palisade's assets and deferred outflows of resources were 8.02 times the Town's total liabilities and deferred inflows of resources at December 31, 2023. Total current assets were 18.22 times total current liabilities. The total amount of the long-term liabilities includes two water fund loans from the drinking water revolving fund disadvantaged community loan program with the Colorado Water Resources & Power Development Authority to re-build the water treatment plant. In addition, in 2012 the Town issued \$995,000 in water revenue bonds with interest rates ranging between 2.63% and 3.00%. The bonds are special revenue obligations of the Town, payable from the net pledged water revenues derived from the Town's Water Activity Enterprise. These bonds were used to pay off two existing water fund loans with interest rates of 4.00%.

Approximately 54% of the Town's net position is invested in capital assets that are being used in the operation of the Town and infrastructure assets that are provided and maintained by the Town. Infrastructure assets completed before January 1, 2004, and still in place, are not included in net position. In prior years, capital assets for non-proprietary funds were only shown on the combined balance sheet as the "general fixed assets" account group. These assets were not included with other assets in governmental fund type funds.

Changes in Net Position. Governmental and business-type activities increased the Town's net position by \$6,948,591 in 2023. The following table indicates the changes in net position for governmental and business-type activities for 2022 and 2023.

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Management's Discussion and Analysis
December 31, 2023

	Changes in Net Position					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2023	2022	2023	2022	2023
Revenues						
Program Revenues						
Charges for Services	1,115,253	883,856	1,881,991	1,930,372	2,997,244	2,814,228
Operating Grants and Contributions	32,767	36,278			32,767	36,278
Capital Grants and Contributions	2,159,216	3,667,327	326,314	-	2,485,530	3,667,327
General Revenues						
Property Taxes	764,103	766,638			764,103	766,638
Other Taxes	6,733,901	6,710,198			6,733,901	6,710,198
Other Revenue	133,978	528,996	76,060	273,492	210,038	802,488
Total Revenues	10,939,218	12,593,293	2,284,365	2,203,864	13,223,583	14,797,157
Expenses						
General Government	1,046,948	1,800,276			1,046,948	1,800,276
Public Safety	1,881,855	2,466,587			1,881,855	2,466,587
Public Works	333,711	381,451			333,711	381,451
Culture & Recreation	1,039,224	876,874			1,039,224	876,874
Cemetery	85,028	92,032			85,028	92,032
Water			1,219,744	1,406,285	1,219,744	1,406,285
Sewer and Refuse			809,623	825,061	809,623	825,061
Total Expenses	4,386,766	5,617,220	2,029,367	2,231,346	6,416,133	7,848,566
Change in Net Position	6,552,452	6,976,073	254,998	(27,482)	6,807,450	6,948,591
Net Position						
Beginning of Year	21,461,134	28,129,733	13,671,709	13,940,737	35,132,843	42,070,470
Prior Period Adjustment	116,147		14,030	-	130,177	-
End of Year	28,129,733	35,105,806	13,940,737	13,913,255	42,070,470	49,019,061

Town of Palisade, Colorado
Management's Discussion and Analysis
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Total revenues for combined governmental and business-type activities increased 12% for 2023 when compared to 2022 due mainly to increased revenue from capital grants. Total combined revenues were made up of 44% direct program revenues and 56% general revenues.

- The major program revenues for governmental activities were as follows:
Charges for services and fees were 19.3% of program revenues. The sources of this revenue were: general government charges for services, fees, fines, etc., public safety, public works and parks, culture and recreation and cemetery.

Capital and operational grants were 79.9% of program revenues. These grants were received for public safety and public works and recreation.

The general revenues for governmental activities were 64% of total governmental revenues. The major governmental general revenue activities were as follows:

Property taxes were 5% of total revenues and 9% of general revenues.
Other taxes, which includes sales taxes were 45% of total revenues and 81% of general revenues.
Other revenues were 3.6% of total revenues and 6.4% of general revenues.

- The major program revenues for business-type activities were:

Charges for services were 88% of total business-type activities revenues. Each business-type activity charges for the specific products and/or services for which the activity was established. The major revenues for 2023 were water service fees \$1,068,415 and sewer fees \$861,957.

The total expenses for combined governmental and business-type activities were made up of \$5,617,220 of expenses for governmental activities and \$2,231,346 of expenses for business-type activities. Of the total expenses, 72% were for governmental activities and 28% for business-type activities.

Town of Palisade, Colorado
Management's Discussion and Analysis
December 31, 2023

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

The Town of Palisade uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of 2023, the combined ending fund balances of the Town of Palisade's governmental funds were \$14,021,386. Of this amount, 97% is unassigned fund balance, which is available as working capital and for current spending in accordance with the purposes of the specific funds. Of the remaining, \$26,234 are non-spendable funds, \$94,835 are restricted for park improvements, \$131,521 are restricted for emergencies and not available for new spending, \$106,191 are assigned for marketing and \$52,946 are assigned for public safety.

The Town has one major governmental fund: The General Fund.

General Fund

The fund balance of the general fund was \$14,407,533 on December 31, 2023. Of this balance, 99% is unassigned. Of the remaining, \$26,234 are non-spendable funds and \$131,521 are restricted for emergencies in compliance with Title X of the Colorado constitution. The unassigned fund balance is available for working capital and will be used for subsequent operations. Working capital is also available for immediate cash disbursements in the subsequent period.

Most of the ratios that are used in the financial analysis of business organizations provide only limited information in an analysis of a governmental type fund; however, governmental funds that are in severely bad liquidity condition can often be recognized by such an analysis. Therefore, the following items and relationships are presented for the Town of Palisade's general fund on December 31, 2032:

- Working Capital (assets minus liabilities and deferred inflows of resources) of the General Fund was \$14,047,533. The general fund balance on the fund balance sheet is the fund's "working capital." However, a portion of the fund balance is restricted or non-spendable and may not be available for use as working capital. Therefore, the unassigned fund balance of \$13,889,778 is considered "working capital" as a measure of liquidity for the fund.
- Current Ratio (current assets divided by current liabilities and deferred inflows of resources) 41.1:1
- Modified Current Ratio (current assets less property tax accrual divided by current liabilities): 40.7:1. The current ratio is used, by business organizations, to display the ability to meet currently maturing obligations.

Town of Palisade, Colorado
Management’s Discussion and Analysis
December 31, 2023

While the analysis provided above must be combined with other information in order to develop a certain conclusion as to the liquidity and the probability of continuation of financial operations by the Town of Palisade general fund, it is reasonable to conclude that the Town’s general fund level of liquidity is not deficient.

Proprietary Funds

The Town’s proprietary fund statement provides the same type of information found in the government-wide financial statements, but in greater detail.

As of the end of 2023, the combined ending net position of the Town of Palisade’s enterprise funds was \$13,913,255. Of this amount 38% is unrestricted net position, which is available as working capital and for current spending.

The Town has three major enterprise funds, *the Water Fund, the Utility Fund and the Solid Waste Fund*. The Water Fund is used to account for water activities. The Utility Fund is used to account for sewer collections and treatment activities. The Solid Waste Fund is used to account for the solid refuse activities for the Town. For presentation in the financial statements, the Solid Waste Fund and Utilities Fund are combined. On December 31, 2023, the *Water Fund, Utility Fund, and Solid Waste Fund* had total assets, which equaled 5.6 times the total liabilities. 72% of the funds’ net position was invested in capital assets. 28% of the funds’ net position is unrestricted and available as working capital and to be used for subsequent operations. The Water Fund and the Utility Fund are enterprise funds with a large ratio of capital assets. The Solid Waste Fund does not have significant capital assets because the Town contracts these services with a private entity. The funds with significant capital asset requirements require significant cash flow planning to maintain infrastructure.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town’s budget is prepared and approved according to Colorado statutes.

The Town of Palisade’s Trustees budgeted \$7,704,527 for 2023 general fund revenues.

The Town’s General Fund Budget is shown below:

	Original Budget	Final Budget	Actual
Beginning Balance	\$12,943,830	\$12,943,830	\$14,778,233
Revenues and Other Financing Sources	7,107,527	7,707,527	9,773,134
Expenditures and Other Financing Uses	7,451,477	7,969,671	10,503,834
Prior Period Adjustment			
Ending Balance	\$12,599,880	\$12,681,686	\$14,407,533

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Management's Discussion and Analysis
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CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's capital assets net of depreciation on December 31, 2023 are presented in the following table. Also see Note D in the footnotes for further detail.

Capital Assets, Net of Depreciation			
December 31, 2023			
	Governmental	Business-Type	
	Activities	Activities	Total
Land	\$1,999,618	\$226,126	\$2,225,744
Water Rights		234,247	234,247
Construction in Progress	437,458	632,139	1,069,597
Swimming Pool/Community Center	86,438		86,438
Water/Sewer System		11,217,601	11,217,601
Building and Improvements	11,245,073		11,245,073
Equipment and Furniture	1,733,566	510,601	2,244,167
Infrastructure	3,875,987		4,173,314
Total	19,378,140	12,820,714	32,198,854

Business-type activities, specifically the Water Fund, currently have two notes payable and one outstanding bond issue as noted above. Debt was incurred for repair and replacement of a water line and reservoir expansion and to rebuild the water treatment plant. The total amount due at December 31, 2023 was \$3,005,196, which includes unamortized debt premiums of \$14,766. See Note E in the footnotes for further detail.

Items of Interest for 2023

Government wide revenue increased by 12% when compared to government wide revenue in 2021. This increase is due to a combination of increasing property values driving increases in property taxes, strong consumer activity driving sales tax, seeking grant funding opportunities, and consistent demand for town provided public utilities. Sales tax continues to be the largest source of funding for governmental type activities and charges for service continue to primarily fund the Town's utility activities. We expect both revenue streams to remain capable of supporting services at the same levels in the next fiscal year.

ECONOMIC FACTORS AND CONDITIONS

The Town continues to pursue areas of capital improvement and economic development. The 2023 operating budget focused on public safety, utility service delivery, and infrastructure maintenance.

Town of Palisade, Colorado
Management's Discussion and Analysis
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The maintenance of facilities and systems, infrastructure, and equipment as well as updating ineffective, obsolete, and end of service life equipment and systems to support the delivery of high quality, and cost-effective services remains a priority. The Town has had some changes in staff, but the overall number of FTE's remained close to 2022 staff levels.

Board Direction for 2023

The Palisade Board of Trustees continues to support the town mission statement that supports opportunities for agriculture, business, recreation and protecting our diverse community and our citizen's quality of life. We continue to actively seek economic development for the Town.

The Town will also continue to study new options for revenue to perform much needed capital improvement projects to our streets, parks, and utility infrastructure. We are focused on maintaining what we have and making investments that will have a positive impact on the quality of life and experience of our residents, visitors, and wider community.

Conclusion

The primary revenue streams for the Town remain strong and capable of supporting fundamental services on which our citizens rely. The 2024 budget has a reduction of revenues and expenditures when compared to 2023. This decrease is largely due to the completion of capital projects such as the community clinic project. We believe sales tax will decrease due to the expansion of Marijuana but property tax revenues will show some growth in 2024 and moving forward.

The Town will remain focused on executing a strategic vision that is aimed at increasing the quality of life for our citizens and creating a Town that residents and visitors alike hold in the highest esteem.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Town of Palisade's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Town of Palisade Trustees, P.O. Box 128, Palisade, CO 81526.

Basic Financial Statements

Town of Palisade, Colorado
Statement of Net Position
December 31, 2023

	Governmental Activities	Business-type Activities	Totals
Assets			
Cash and Investments	\$ 13,264,298	\$ 4,674,958	\$ 17,939,256
Accounts Receivable	124,291	204,482	328,773
Property Taxes Receivable	157,641	-	157,641
Due from Other Governments	1,237,276	-	1,237,276
Prepaid Expenses	26,234	-	26,234
Inventory	-	81,127	81,127
Net Pension Asset	575,105	-	575,105
Capital Assets, <i>Not Being Depreciated</i>	2,437,076	1,092,512	3,529,588
Capital Assets, <i>Net of Accumulated Depreciation</i>	16,941,064	11,728,202	28,669,266
 Total Assets	 <u>34,762,985</u>	 <u>17,781,281</u>	 <u>52,544,266</u>
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	779,985	-	779,985
Liabilities			
Accounts Payable	481,322	104,675	585,997
Accrued Liabilities	149,391	-	149,391
Accrued Interest Payable	-	19,510	19,510
Noncurrent Liabilities			
Net Pension Liability	86,719		86,719
Due within one year	245,372	478,077	723,449
Due in More Than One Year	-	2,588,448	2,588,448
 Total Liabilities	 <u>962,804</u>	 <u>3,190,710</u>	 <u>4,153,514</u>
Deferred Inflows of Resources			
Deferred Property Taxes	157,641	-	157,641
Deferred Inflows Related to Pensions	572,227	-	572,227
 Deferred Inflows of Resources	 <u>729,868</u>	 <u>-</u>	 <u>729,868</u>
Net Positions			
Net Investment in Capital Assets	19,378,140	9,815,518	29,193,658
Restricted for Emergencies			
Unrestricted	14,472,158	4,775,053	19,247,211
 Total Net Position	 <u>\$ 33,850,298</u>	 <u>\$ 14,590,571</u>	 <u>\$ 48,440,869</u>

Town of Palisade, Colorado
Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Primary Government							
<i>Governmental Activities</i>							
General Government	\$ 2,043,211	\$ 92,256	\$ -	\$ 2,500,000	\$ 549,045	\$ -	\$ 549,045
Public Safety	2,886,632	342,580	1,000,000	167,327	(1,376,725)	-	(1,376,725)
Public Works and Parks	310,472	47,118	-	-	(263,354)	-	(263,354)
Culture and Recreation	886,951	344,957	36,278	-	(505,716)	-	(505,716)
Cemetery	92,032	56,945	-	-	(35,087)	-	(35,087)
Total Governmental Activities	6,219,298	883,856	1,036,278	2,667,327	(1,631,837)	-	(1,631,837)
<i>Business-Type Activities</i>							
Water	1,406,285	1,068,415	-	37,731	-	(300,139)	(300,139)
Sewer and Refuse	825,061	861,957	-	692	-	37,588	37,588
Total Business-Type	2,231,346	1,930,372	-	38,423	-	(262,551)	(262,551)
Total Primary Government	\$ 8,450,644	\$ 2,814,228	\$ 1,036,278	\$ 2,705,750	(1,631,837)	(262,551)	(1,894,388)
General Revenues							
Property Taxes					766,638	-	766,638
Sales and Use Taxes					6,174,621	-	6,174,621
Other Taxes					535,576	-	535,576
Investment Income					528,738	258,933	787,671
Gain (Loss) on Disposal of Capital Assets					-	14,559	14,559
Miscellaneous					258	-	258
Transfers					(653,429)	638,893	(14,536)
Total General Revenues and Transfers					7,352,402	912,385	8,264,787
Change in Net Position					5,720,565	649,834	6,370,399
Net Position, Beginning of year, as restated					28,129,733	13,940,737	42,070,470
Net Position, End of year					\$ 33,850,298	\$ 14,590,571	\$ 48,440,869

Town of Palisade, Colorado

Balance Sheet Governmental Funds December 31, 2023

	General	Capital Projects	Nonmajor Governmental Funds	Totals
Assets				
Cash and Investments	\$ 13,011,219	\$ -	\$ 253,079	\$ 13,264,298
Accounts Receivable				
Due from Other Governments	1,237,276	-	-	1,237,276
Property Tax Receivable	-	-	157,641	157,641
Fire, Recuse and Other	116,038	-	-	116,038
Franchise Taxes Receivable	6,869	-	-	6,869
Lodging Tax and Other Receivable	-	-	1,384	1,384
Prepaid Expenses	26,234	-	-	26,234
 Total Assets	 \$ 14,397,636	 \$ -	 \$ 412,104	 \$ 14,809,740
Liabilities				
Accounts Payable	\$ 200,712	\$ 280,119	\$ 491	\$ 481,322
Accrued Liabilities	149,391	-	-	149,391
 Total Liabilities	 350,103	 280,119	 491	 630,713
Deferred Inflows of Resources				
Deferred Property Taxes	-	-	157,641	157,641
 Deferred Inflows of Resources	 -	 -	 157,641	 157,641
Fund Balances				
Nonspendable	26,234	-	-	26,234
Restricted for:				
Park Improvements	-	-	94,835	94,835
Emergencies	131,521	-	-	131,521
Assigned to:				
Marketing	-	-	106,191	106,191
Public Safety	-	-	52,946	52,946
Unrestricted, Unassigned	13,889,778	(280,119)	-	13,609,659
 Total Fund Balances	 14,047,533	 (280,119)	 253,972	 14,021,386
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ 14,397,636	 \$ -	 \$ 412,104	 \$ 14,809,740

Town of Palisade, Colorado
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	\$ 14,021,386
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds	19,378,140
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Compensated absences payable	(245,372)
Deferred Outflows related to Pensions	779,985
Pension Liability	(86,719)
Pension Asset	575,105
Deferred Inflows related to Pension	(572,227)
Total Net Position of Governmental Activities	\$ 33,850,298

Town of Palisade, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Capital Projects	Nonmajor Governmental Funds	Totals
Revenues				
Taxes	\$ 7,199,364	\$ -	\$ 277,472	\$ 7,476,836
Intergovernmental	1,167,327	2,500,000	36,278	3,703,605
Charges for Services	883,856	-	-	883,856
Investment Income	522,489	-	6,249	528,738
Miscellaneous	98	-	160	258
	<u>9,773,134</u>	<u>2,500,000</u>	<u>320,159</u>	<u>12,593,293</u>
Total Revenues				
Expenditures				
Current				
General Government	1,694,155	-	106,121	1,800,276
Public Safety	2,446,094	-	20,493	2,466,587
Public Works	381,451	-	-	381,451
Culture and Recreation	876,874	-	-	876,874
Cemetery	92,032	-	-	92,032
Capital Outlay				
General Government	-	4,461,279	-	4,461,279
	<u>5,490,606</u>	<u>4,461,279</u>	<u>126,614</u>	<u>10,078,499</u>
Total Expenditures				
Excess of Revenues Over (Under) Expenditures	<u>4,282,528</u>	<u>(1,961,279)</u>	<u>193,545</u>	<u>2,514,794</u>
Other Financing Sources (Uses)				
Transfers In	148,000	5,161,228	-	5,309,228
Transfers Out	(5,161,228)	(653,429)	(148,000)	(5,962,657)
	<u>(5,013,228)</u>	<u>4,507,799</u>	<u>(148,000)</u>	<u>(653,429)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(730,700)	2,546,520	45,545	1,861,365
Fund Balances, Beginning of year	<u>14,778,233</u>	<u>(2,826,639)</u>	<u>208,427</u>	<u>12,160,021</u>
Fund Balances, End of year	<u>\$ 14,047,533</u>	<u>\$ (280,119)</u>	<u>\$ 253,972</u>	<u>\$ 14,021,386</u>

Town of Palisade, Colorado
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances of Governmental Funds to the Statement of Activities
 Governmental Funds
 For the Year Ended December 31, 2023

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances of Governmental Funds	\$ 1,861,365
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>	
Capital outlay	5,253,394
Depreciation expense	(742,999)
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Change in Accrued Compensated Absences	3,402
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Deferred Outflows Related to Pensions	429,785
Pension Liability	(86,719)
Pension Asset	(911,767)
Deferred Inflows Related to Pension	(85,896)
	(85,896)
Change in Net Position of Governmental Activities	\$ 5,720,565

Town of Palisade, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2023

	Water	Utility	Totals
Assets			
<i>Current Assets</i>			
Cash and Investments	\$ 1,600,949	\$ 3,074,009	\$ 4,674,958
Accounts Receivable	112,532	91,950	204,482
Inventory	81,127	-	81,127
	1,794,608	3,165,959	4,960,567
<i>Noncurrent Assets</i>			
Capital Assets, <i>Not Being Depreciated</i>	234,247	858,265	1,092,512
Capital Assets, <i>Net of Accumulated Depreciation</i>	8,960,329	2,767,873	11,728,202
	9,194,576	3,626,138	12,820,714
Total Noncurrent Assets	9,194,576	3,626,138	12,820,714
Total Assets	10,989,184	6,792,097	17,781,281
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	57,428	47,247	104,675
Accrued Interest Payable	19,510	-	19,510
Current Portion of Noncurrent Liabilities	447,289	30,788	478,077
	524,227	78,035	602,262
Total Current Liabilities	524,227	78,035	602,262
<i>Noncurrent Liabilities</i>			
Note Payable	2,588,448	-	2,588,448
	2,588,448	-	2,588,448
Total Noncurrent Liabilities	2,588,448	-	2,588,448
Total Liabilities	3,112,675	78,035	3,190,710
Net Position			
Net Investment in Capital Assets	5,663,063	3,578,891	9,241,954
Unrestricted	2,213,446	3,135,171	5,348,617
	7,876,509	6,714,062	14,590,571
Total Net Position	\$ 7,876,509	\$ 6,714,062	\$ 14,590,571

Town of Palisade, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	<u>Water</u>	<u>Utility</u>	<u>Totals</u>
Operating Revenues			
Charges for Services	\$ 1,068,415	\$ 861,957	\$ 1,930,372
Total Operating Revenues	<u>1,068,415</u>	<u>861,957</u>	<u>1,930,372</u>
Operating Expenses			
Operations and Maintenance	979,519	658,489	1,638,008
Debt Service - Interest	74,796	-	74,796
Depreciation	351,970	166,572	518,542
Total Operating Expenses	<u>1,406,285</u>	<u>825,061</u>	<u>2,231,346</u>
Net Operating Income	<u>(337,870)</u>	<u>36,896</u>	<u>(300,974)</u>
Nonoperating Revenues (Expenses)			
Investment Income and Penalties	118,651	154,841	273,492
Tap Fees	37,731	692	38,423
Transfers In	218,911	419,982	638,893
Total Nonoperating Revenues (Expenses)	<u>375,293</u>	<u>575,515</u>	<u>950,808</u>
Change in Net Position	<u>37,423</u>	<u>612,411</u>	<u>649,834</u>
Net Position, Beginning of year	<u>7,839,086</u>	<u>6,101,651</u>	<u>13,940,737</u>
Net Position, End of year	<u>\$ 7,876,509</u>	<u>\$ 6,714,062</u>	<u>\$ 14,590,571</u>

Town of Palisade, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	<u>Water</u>	<u>Wastewater</u>	<u>Totals</u>
Cash Flows From Operating Activities			
Cash Received from Customers	\$ 1,061,079	\$ 854,604	\$ 1,915,683
Cash Payments to Employees	(397,262)	(194,418)	(591,680)
Cash Payments to Vendors and Suppliers	<u>(557,264)</u>	<u>(475,658)</u>	<u>(1,032,922)</u>
Net Cash Provided by Operating Activities	<u>106,553</u>	<u>184,528</u>	<u>291,081</u>
Cash Flows From Noncapital Financing Activities			
Transfers From Other Funds	<u>218,911</u>	<u>419,982</u>	<u>638,893</u>
Net Cash Used in Noncapital Financing Activities	<u>218,911</u>	<u>419,982</u>	<u>638,893</u>
Cash Flows From Capital and Related Financing Activities			
Purchases of Capital Assets	(313,815)	(484,980)	(798,795)
System Investment Fees Received	37,731	692	38,423
Debt Principal Payments	(432,415)	4,816	(427,599)
Debt Interest Payments	<u>(74,796)</u>	<u>-</u>	<u>(74,796)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(783,295)</u>	<u>(479,472)</u>	<u>(1,262,767)</u>
Cash Flows From Investing Activities			
Interest Received	<u>118,651</u>	<u>154,841</u>	<u>273,492</u>
Net Increase In Cash	(339,180)	279,879	(59,301)
Cash, Beginning of Year	<u>1,940,129</u>	<u>2,794,130</u>	<u>4,734,259</u>
Cash, End of Year	<u>\$ 1,600,949</u>	<u>\$ 3,074,009</u>	<u>\$ 4,674,958</u>
Reconciliation of Net Operating Income to Net Cash Provided by (Used in) Operating Activities			
Net Operating Income	\$ (263,074)	\$ 36,896	\$ (226,178)
Adjustments to Reconcile Net Operating Income to Net Cash Provided by (Used in) Operating Activities			
Depreciation	351,970	166,572	518,542
Changes in Assets and Liabilities			
Accounts Receivable	(7,336)	(7,353)	(14,689)
Accounts Payable	<u>24,993</u>	<u>(11,587)</u>	<u>13,406</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 106,553</u>	<u>\$ 184,528</u>	<u>\$ 291,081</u>

See Notes to the Financial Statements.

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies

The Town of Palisade, Colorado (the Town) is a statutory municipality that operates under a Board of Trustees-Mayor form of government. The Town provides its residents with police protection, streets, cemetery, and parks. The Town is governed by an elected mayor and six-member Board of Trustees.

Reporting Entity

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the Town.

The Town's financial statements include the activities of the First Street Improvement District, the Palisade Downtown Improvement District, and the Palisade Rural Fire Protection District as blended component units. The districts do not issue separate financial statements.

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 activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the Town.

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

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

When both restricted and unrestricted resources are available for a specific use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those accounted for in another fund.

The *Capital Projects Fund* accounts for all financial resources that have been committed to fund the expenditures associated with constructing assets for the Town.

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

(Continued)

Additionally, the government reports the following non-major fund types:

The *Tourism Special Revenue Fund* accounts for lodging tax received and used for tourism-based marketing of the Town.

The *Conservation Trust Fund* accounts for the proceeds of lottery funds received from the State of Colorado.

The *Palisade Rural Fire Protection District Fund* accounts for property tax received and used for fire protection provided by volunteers for the Town.

In addition, the Town reports the following major proprietary funds:

The *Water Fund* accounts for the water treatment and distribution system.

The *Utility Fund* accounts for the sewer treatment and collection system and refuse collection.

Assets, Liabilities and Net Position/Fund Balances

Cash Equivalents - For purposes of the statement of cash flows, cash equivalents include investment with original maturities of three months or less.

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses - Certain payments to vendors reflect costs applicable to future years and are reported as prepaid expenses using the consumption method.

Capital Assets - Capital assets, which include land, buildings, utility systems, equipment, and all infrastructure owned by the Town, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings, Improvements and Plants	10 - 100 years
Water Distribution and Collection Systems	10 - 60 years
Sewer Collection and Treatment Systems	10 - 60 years
Swimming Pool	15 - 40 years
Equipment and Furniture	5 - 20 years

Deferred Inflows of Resources - Property taxes earned but levied for a subsequent year are reported as deferred inflows of resources in the financial statements.

Compensated Absences - Employees of the Town are allowed to accumulate unused vacation and sick leave up to a maximum based on years of service. Upon termination of employment from the Town, all full-time employees are paid for accumulated sick at 55% of current hourly rate and accumulated vacation at 100% of their current pay rate. Part time employees are not paid for any accrued sick time and do not accrue vacation hours.

A liability for these compensated absences is reported when earned in the proprietary funds and when due in the governmental funds. A long-term liability has been reported in the government-wide financial statement for the accrued compensated absences.

Long-Term Debt - In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. In the fund financial statements, governmental funds report committed fund balances when the Board of Trustees approves an ordinance that places constraints on the use of resources for a specific purpose. Assigned fund balances arise from an informal action of the Board of Trustees.

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

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Property Taxes

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

Subsequent Events

We have evaluated subsequent events through July 29, 2024. The date the financial statements were available to be issued.

Note 2: Cash and Investments

A summary of cash at December 31, 2023, follows:

	<u>Total</u>
Petty Cash	\$ 600
Deposits	2,198,970
Investments	<u>15,739,686</u>
Total	<u>\$ 17,939,256</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2023, the Town had bank deposits of \$2,198,970 collateralized with securities held by the financial institution's agent but not in the Town's name.

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 2: Cash and Investments (Continued)

Investments

The Town is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which the Town may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts (GICs)

Interest Rate Risk - State statutes generally limit the maturity of investment securities to five years from the date of purchase unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the Town may invest in one issuer of investment securities, except for corporate securities.

Local Government Investment Pools - At December 31, 2023, the Town had \$7,974,802 and \$7,764,884 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The Trusts are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the Trusts. The Trusts operate in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at \$1. Both Trusts are rated AAAM by Standard and Poor's. Investments of the Trusts are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Town of Palisade, Colorado
Notes to Financial Statements
December 31, 2023

Note 3: Capital Assets

Capital asset activity for the year ended December 31, 2023, is summarized below.

Governmental Activities	(Restated) Balance 12/31/22	Additions	Transfers	Deletions	Balance 12/31/23
<i>Capital Assets, Not Being Depreciated</i>					
Land	\$ 1,999,618	\$ -	\$ -	\$ -	\$ 1,999,618
Construction in Progress	3,756,057	-	(3,318,599)	-	437,458
Total Capital Assets, Not Being Depreciated	5,755,675	-	(3,318,599)	-	2,437,076
<i>Capital Assets, Being Depreciated</i>					
Infrastructure	6,082,212	-	(60,863)	-	6,021,349
Swimming Pool	565,447	-	-	(3,000)	562,447
Community Center	684,645	-	-	-	684,645
Buildings and Improvements	9,167,480	4,553,610	3,318,599	-	17,039,689
Equipment and Furniture	2,889,189	699,784	60,863	(555,629)	3,094,207
Total Capital Assets, Being Depreciated	19,388,973	5,253,394	3,318,599	(558,629)	27,402,337
<i>Less Accumulated Depreciation</i>					
Infrastructure	(1,908,898)	(236,464)	-	-	(2,145,362)
Swimming Pool	(520,779)	(17,213)	-	3,000	(534,992)
Community Center	(621,690)	(3,972)	-	-	(625,662)
Buildings and Improvements	(5,581,719)	(212,897)	-	-	(5,794,616)
Equipment and Furniture	(1,643,817)	(272,453)	-	555,629	(1,360,641)
Total Accumulated Depreciation	(10,276,903)	(742,999)	-	558,629	(10,461,273)
Total Capital Assets, Being Depreciated, net	9,112,070	4,510,395	3,318,599	-	16,941,064
Governmental Activities Capital Assets, net	\$ 14,867,745	\$ 4,510,395	\$ -	\$ -	\$ 19,378,140
Business-Type Activities	(Restated) Balance 12/31/22	Additions	Deletions	Transfers	Balance 12/31/23
<i>Capital Assets, Not Being Depreciated</i>					
Land	\$ 226,126	\$ -	\$ -	\$ -	\$ 226,126
Water Rights	234,247	-	-	-	234,247
Construction in Progress	172,818	459,321	-	-	632,139
Total Capital Assets, Not Being Depreciated	633,191	459,321	-	-	1,092,512
<i>Capital Assets, being depreciated</i>					
Water System	17,202,551	-	-	-	17,202,551
Sewer System	5,982,588	25,661	-	-	6,008,249
Water	435,378	5,119	-	(75,500)	364,997
Utility	246,570	308,696	-	(75,500)	479,766
Total Capital Assets, Being Depreciated	23,867,087	339,476	-	(151,000)	24,055,563
<i>Less Accumulated Depreciation</i>					
Buildings and Plants	(8,389,092)	(307,070)	-	-	(8,696,162)
Collection and Distribution Systems	(3,149,684)	(147,353)	-	-	(3,297,037)
Equipment	(250,355)	(44,900)	-	75,500	(219,755)
Drainage Systems	(170,686)	(19,221)	-	75,500	(114,407)
Total Accumulated Depreciation	(11,959,817)	(518,544)	-	151,000	(12,327,361)
Total Capital Assets, Being Depreciated, net	11,907,270	(179,068)	-	-	11,728,202
Business - Type Activities Capital Assets, net	\$ 12,540,461	\$ 280,253	\$ -	\$ -	\$ 12,820,714

Town of Palisade, Colorado
Notes to Financial Statements
December 31, 2023

Note 3: Capital Assets (Continued)

Depreciation expense was charged to programs of the Town as follows:

	Total
Governmental Activities	
General Government	\$ 437,870
Public Safety	156,010
Public Works	1,964
Parks and Recreation	147,155
 Total	 \$ 742,999

Note 4: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2023:

	Balance 12/31/22	Additions	Payments	Balance 12/31/23	Due Within One Year
Compensated Absences	248,774	-	(3,402)	245,372	245,372
 Total	 \$ 248,774	\$ -	\$ (3,402)	\$ 245,372	\$ 245,372

Compensated absences are expected to be liquidated primarily with revenues of the General.

Business-Type Activities

Following is a summary of long-term debt transactions of the Business-type activities for the year ended December 31, 2023:

In 2006, the Town borrowed \$2,000,000 from the Colorado Water Resource and Power

	Balance 12/31/22	Additions	Payments	Balance 12/31/23	Due Within One Year
CWRPD, Series 2006	\$ 933,334	\$ -	\$ (66,667)	\$ 866,667	\$ 66,667
-Premium	17,228	-	(2,462)	14,766	-
CWRPD, Series 2006	1,762,860	-	(269,097)	1,493,763	280,081
Bonds Payable	710,000	-	(80,000)	630,000	70,000
Compensated Absences	70,702	61,329	(70,702)	61,329	61,329
 Total	 \$ 3,494,124	\$ 61,329	\$ (488,928)	\$ 3,066,525	\$ 478,077

Development Authority Revolving Loan Fund (CWRPD) as part of its disadvantaged Communities Program. The Note is interest free and requires annual payments of \$66,667 through 2036. The Town pledged water revenues as collateral on this debt.

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

In 2006, the Town borrowed \$2,000,000 from the Colorado Water Resource and Power Development Authority Revolving Loan Fund (CWRPD) as part of its disadvantaged Communities Program. The Note is interest free and requires annual payments of \$66,667 through 2036. The Town pledged water revenues as collateral on this debt.

The following is a summary of note principal and interest requirements:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 66,666	\$ -	\$ 66,666
2025	66,667	-	66,667
2026	66,666	-	66,666
2027	66,667	-	66,667
2028	66,667	-	66,667
2029-2033	333,335	-	333,335
2034-2036	199,999	-	199,999
Total	\$ 866,667	\$ -	\$ 866,667

In 2006, the Town borrowed \$2,976,045 from the Colorado Water Resources and Power Development Authority Revolving Loan Fund (CWRPD). The note has an interest rate of 3.47% with annual payments due through 2028. The Town pledged water revenues as collateral on this debt. In February 2019, the Town refunded certain bonds associated with this debt. The savings will be passed through as payment credits and will total \$192,261. Credits will apply first to loan interest and then principal.

The following is a summary of note principal and interest requirements:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 280,081	\$ 36,041	\$ 316,122
2025	285,572	29,542	315,114
2026	291,064	22,591	313,655
2027	313,031	15,506	328,537
2028	324,015	7,887	331,902
Total	\$ 1,493,763	\$ 111,567	\$ 1,605,330

In 2012, the Town issued \$995,000 in water revenue bonds with interest rates ranging between 2.63% and 3.00%. The bonds are special revenue obligations of the Town, payable out of the net pledged water revenues derived from the Town's Water Activity Enterprise. The bonds constitute an irrevocable, non-exclusive first lien on the net pledged water revenues.

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

The following is a summary of revenue bonds principal and interest requirements:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 70,000	\$ 18,638	\$ 88,638
2025	10,000	16,800	26,800
2026	15,000	16,500	31,500
2027	25,000	16,050	41,050
2028	50,000	15,300	65,300
2029-2030	<u>460,000</u>	<u>45,900</u>	<u>505,900</u>
Total	<u>\$ 630,000</u>	<u>\$ 129,188</u>	<u>\$ 759,188</u>

Note 5: Employee Retirement Plans

FPPA Statewide Defined Benefit Plan

Plan Description - The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

Description of Benefits - A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55.

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

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 5: Employee Retirement Plans (Continued)

FPPA Statewide Defined Benefit Plan (Continued)

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

Contributions - The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Members of the SWDB plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014-member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2021 through 2030 for a total combined member and employer contribution rate of 24 percent in 2023.

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent through 2014. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2023 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2023.

The Town's contributions to the SWDB Plan for the year ended December 31, 2023, were \$76,499 equal to the required contributions.

The Town and eligible employees are required to contribute to the SWH Plan at rates established by the Town Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer.

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 5: Employee Retirement Plans (Continued)

FPPA Statewide Defined Benefit Plan (Continued)

The Town no longer has active participants in the SWH Plan.

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

At December 31, 2023, the Town reported a net pension liability (asset) of \$87,719 representing its proportionate share of the net pension asset of the SWDB.

The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation at January 1, 2023. The Town's proportion of the net pension asset was based on a projection of the Town's contributions to the plans for the calendar year ended December 31, 2023, relative to the projected contributions of all participating employers.

At December 31, 2023, the Town's proportion of the SWDB Plan was 0.097698325%, which was an increase of 0.001704876% from its proportion measured at December 31, 2023.

For the year ended December 31, 2023, the Town recognized pension expense (Benefit) for the SWDB plan of \$68,675.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Statewide Defined Benefit Plan		
Differences between expected and actual experience	\$ 151,152	\$ (10,644)
Net difference between projected and actual earnings on plan investments	89,899	-
Changes in assumptions and other inputs	207,026	-
Changes in proportion	-	51,216
Contributions subsequent to the measurement date	141,793	-
Total	\$ 589,870	\$ 413,336

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 5: Employee Retirement Plans (Continued)

FPPA Statewide Defined Benefit Plan (Continued)

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

At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Year Ended December 31,	SWDB
2024	\$ 124,334
2025	169,236
2026	81,256
2027	12,134
Thereafter	3,144
Total	\$ 390,104

Town contributions to the SWDB plan subsequent to the measurement date were \$103,692 and will be recognized as an increase or decrease to the net pension (asset) liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

Actuarial Assumptions - The actuarial valuation at January 1, 2023, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.5%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

Mortality rates were based on the RP-2014 Mortality Table for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Table for Blue Collar Employees was used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used.

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 5: Employee Retirement Plans (Continued)

FPPA Statewide Defined Benefit Plan (Continued)

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

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary's unchanged analysis and recommendations from the 2015 Experience Study.

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 real rates of return for each major asset class included in the target asset allocation as of December 31, 2023, are summarized in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the Plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.5%.

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 5: Employee Retirement Plans (Continued)

FPPA Statewide Defined Benefit Plan (Continued)

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

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.0%, as well as the Town's proportionate share of the net pension (asset) liability if it were calculated using a discount that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's proportionate share of the SWDB net pension (asset) liability	\$ 597,823	\$ 86,718	\$ (336,641)

Pension Plan Fiduciary Net Position - Detailed information about the Plans' fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

FPPA Palisade Volunteer Fire Pension Plan - Defined Benefit Plan

Plan Description - The Palisade Volunteer Fire Pension Plan (Volunteer Plan) is 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 can be obtained on FPPA's website at <http://www.fppaco.org>.

Description of Benefits - The Plan, as established and amended by the Plan's Board of Trustees through the Bylaws, provides for a monthly pension of \$250 for volunteers who have satisfied the normal age and service requirements and pro rata pensions for volunteers who have satisfied the normal age but only a portion of the service requirement. It further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. The normal age and service requirement is the date a volunteer reaches 50 years of age and completes 20 years of service. Pro-rata pensions would apply to volunteers who reached 50 years of age and had between 10 and 20 years of service. A one-time \$100 funeral benefit lump sum is also provided.

Contributions - The Town and eligible employees are required to contribute to the Volunteer Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The Town and eligible employees each contributed 8% and 11% of base salary, respectively, for the year ended December 31, 2023.

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 5: Employee Retirement Plans (Continued)

FPPA Palisade Volunteer Fire Pension Plan - Defined Benefit Plan (Continued)

The Town's contributions to the Volunteer Plan for the year ended December 31, 2023, were \$20,814, equal to the required contributions.

At December 31, 2023, the Town reported a net pension liability (asset) of \$767,315 representing its proportionate share of the net pension asset.

The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation at January 1, 2023. The Town's proportion of the net pension asset was based on a projection of the Town's contributions to the plans for the calendar year ended December 31, 2023, relative to the projected contributions of all participating employers.

For the year ended December 31, 2023, the Town recognized pension expense (Benefit) for the Volunteer Plan of \$317,160.

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

At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Volunteer		
Differences between expected and actual experience	\$ 756	\$ 53,306
Net difference between projected and actual earnings on plan investments	177,269	105,585
Changes in assumptions and other inputs	12,090	-
Changes in proportion	-	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 190,115</u>	<u>\$ 158,891</u>

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 5: Employee Retirement Plans (Continued)

FPPA Palisade Volunteer Fire Pension Plan - Defined Benefit Plan (Continued)

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

Town contributions to the Volunteer Plan subsequent to the measurement date of \$0 will be recognized as an increase or decrease to the net pension (asset) liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

<u>Year Ended December 31,</u>	<u>Volunteer Plan</u>
2024	\$ (18,503)
2025	(3,159)
2026	13,785
2027	39,101
Thereafter	-
 Total	 \$ <u>31,224</u>

Actuarial Assumptions - The actuarial valuation at January 1, 2023, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Method	Entry Age
Amortization Method	Level dollar - open
Remaining Amortization Period	20 years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.0%
Projected Salary Increases	N/A
Cost of Living Adjustments (COLA)	None
*Includes Inflation at	2.5%

Mortality rates were based on the RP-2014 Mortality Table for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Table for Blue Collar Employees was used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used.

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary's unchanged analysis and recommendations from the 2015 Experience Study.

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 5: Employee Retirement Plans (Continued)

FPPA Palisade Volunteer Fire Pension Plan - Defined Benefit Plan (Continued)

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

Inputs to the 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 7.50%; the municipal bond rate is 3.65% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

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 real rates of return for each major asset class included in the target asset allocation as of December 31, 2023, are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35%	8.93%
Equity Long/Short	6%	6.87%
Private Markets	34%	10.31%
Fixed Income Rates	10%	5.45%
Fixed Income Credit	5%	6.90%
Absolute Return	9%	6.49%
Cash	1%	3.92%
	100%	

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 5: Employee Retirement Plans (Continued)

FPPA Palisade Volunteer Fire Pension Plan - Defined Benefit Plan (Continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the Plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.5%.

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.0%, as well as the Town's proportionate share of the net pension (asset) liability if it were calculated using a discount that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's proportionate share of the net pension (asset)	\$ <u>(487,699)</u>	\$ <u>(575,105)</u>	\$ <u>(646,773)</u>

Pension Plan Fiduciary Net Position - Detailed information about the Plans' fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

Note 6: Risk Management

Public Entity Risk Pool

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town participates in 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 provisions of 24-10-115.5, Colorado Revised Statutes, and the Colorado Constitution, Article XIV, Section 18(2).

Town of Palisade, Colorado

Notes to Financial Statements

December 31, 2023

Note 6: Risk Management (Continued)

Public Entity Risk Pool (Continued)

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

Note 7: Commitments and Contingencies

Litigation

The Town is from time to time involved in various threatened and pending litigation. However, the outcome of this litigation cannot be determined at this time.

TABOR Amendment

In November 1992, Colorado voters passed the TABOR Amendment to the State Constitution which limits state and local government taxing powers and imposes spending limitations. The Town is subject to the TABOR Amendment. Fiscal year 1992 provides the basis for limits in future years, to which may be applied allowable increases for inflation and property valuation. Revenue received in excess of the limitations may be required to be refunded unless the Town's electorate vote to retain the revenue. The TABOR Amendment is subject to many interpretations, but the Town believes it is in substantial compliance with the Amendment.

In November 1994, voters permitted the Town, without increasing or adding any taxes of any kind, to collect, retain or expend revenues generated from all sources during 1994 and each subsequent year for trails, parks, and open space, storm water facilities and drainage, street, curb and sidewalk construction, repair and maintenance, police services, and for other basic municipal services and lawful purposes, without limitation.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$302,355.

Required Supplementary Information

Town of Palisade, Colorado
 Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions
 Fire & Police Pension Association of Colorado Statewide Defined Benefit Plan
 For the Year Ended December 31, 2023

	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>	<u>12/31/19</u>	<u>12/31/18</u>
Proportionate Share of the Net Pension Asset					
Town's Proportion of the Net Pension Assets	0.09769833%	0.23951838%	0.07910000%	0.08548000%	0.09299000%
Town's Proportion Share of the Net Pension Asset (Liability)	\$ 575,105	\$ -	\$ -	\$ 171,716	\$ 48,343
Town's Covered Payroll	\$ 2,341,822	\$ 650,731	\$ 635,305	\$ 629,883	\$ 605,513
Town's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll	24.6%	0.0%	0.0%	27.3%	8.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.7%	116.2%	116.2%	106.7%	101.9%
Town Contribution					
Statutorily Required Contribution	\$ 103,692	\$ 209,261	\$ 64,002	\$ 52,848	\$ 50,391
Contributions in Relation to the Statutorily Required Contribution	<u>(103,692)</u>	<u>(209,261)</u>	<u>(64,002)</u>	<u>(52,848)</u>	<u>(50,391)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 1,101,662	\$ 2,341,822	\$ 650,731	\$ 635,305	\$ 629,883
Contributions as a Percentage of Covered Payroll	9.41%	8.94%	2.73%	8.12%	7.93%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years information is available.

(Continued)

Town of Palisade, Colorado
 Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Asset (Liability) and Contributions
 Fire & Police Pension Association of Colorado Statewide Defined Benefit Plan
 For the Year Ended December 31, 2023
 (Continued)

	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>	<u>12/31/13</u>			
Proportionate Share of the Net Pension Asset								
Town's Proportion of the Net Pension Assets	0.09299000%	10.30100000%	11.28700000%	10.99900000%	0.21431916%			
Town's Proportion Share of the Net Pension Asset (Liability)	\$ (117,565)	\$ 129,845	\$ (37,221)	\$ 1,990	\$ 124,129			
Town's Covered Payroll	\$ 548,988	\$ 549,963	\$ 521,562	\$ 494,615	\$ 850,045			
Town's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll	(19.9)%	23.6%	-7.1%	0.4%	14.6%			
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.2%	106.3%	98.2%	100.1%	107.0%			
	<u>12/31/18</u>	<u>12/31/17</u>	<u>#</u>	<u>12/31/16</u>	<u>#</u>	<u>12/31/15</u>	<u>#</u>	<u>12/31/14</u>
Town Contribution								
Statutorily Required Contribution	\$ 50,391	\$ 43,919	\$ 43,919	\$ 41,725	\$ 84,621			
Contributions in Relation to the Statutorily Required Contribution	(50,391)	(43,919)	(43,919)	(41,725)	(94,621)			
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -			
Town's Covered Payroll	\$ 605,513	\$ 548,988	\$ 549,963	\$ 521,562	\$ 998,713			
Contributions as a Percentage of Covered Payroll	8.32%	8.00%	7.99%	8.00%	8.47%			

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years information is available.

Town of Palisade, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2023

Revenues	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Taxes				
Taxes - Property	\$ 550,000	\$ 550,000	\$ 536,432	\$ (13,568)
Taxes - Other	5,032,097	5,617,097	6,662,932	1,045,835
Cemetery	40,500	40,500	56,945	16,445
Swimming pool	36,000	36,000	37,596	1,596
Community Center	8,000	8,000	4,525	(3,475)
Licenses and permits	33,500	33,500	72,538	39,038
Intergovernmental	600,700	615,700	1,167,327	551,627
Fines and Forfeitures	14,587	14,587	12,458	(2,129)
Charges for services	370,143	370,143	699,794	329,651
Interest income	3,000	3,000	522,489	519,489
Miscellaneous	419,000	419,000	98	(418,902)
Total Revenues	<u>7,107,527</u>	<u>7,707,527</u>	<u>9,773,134</u>	<u>2,065,607</u>
Expenditures				
Current				
General Government	\$ 3,269,328	\$ 3,496,522	\$ 1,694,155	\$ 1,802,367
Public Safety	2,339,099	2,570,099	2,446,094	124,005
Public works and parks	1,054,459	1,114,459	381,451	733,008
Culture and recreation	622,116	622,116	876,874	(254,758)
Cemetery	166,474	166,474	92,032	74,442
Total Expenditures	<u>7,451,476</u>	<u>7,969,670</u>	<u>5,490,606</u>	<u>2,479,064</u>
Excess of Revenues Over (Under) Expenditures	<u>(343,949)</u>	<u>(262,143)</u>	<u>4,282,528</u>	<u>4,544,671</u>
Other Financing Sources (Uses)				
Transfers In	-	-	148,000	148,000
Transfers Out	-	-	(5,161,228)	(5,161,228)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(5,013,228)</u>	<u>(5,013,228)</u>
Net Change in Fund Balance	<u>(343,949)</u>	<u>(262,143)</u>	<u>(730,700)</u>	<u>(468,557)</u>
Fund Balance, Beginning of year	<u>5,548,588</u>	<u>5,548,588</u>	<u>14,778,233</u>	<u>9,229,645</u>
Fund Balance, End of year	<u>\$ 5,204,639</u>	<u>\$ 5,286,445</u>	<u>\$ 14,047,533</u>	<u>\$ 8,761,088</u>

Town of Palisade, Colorado
 Budgetary Comparison Schedule
 Capital Projects Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues	\$	\$	\$	\$
Grants	9,073,985	9,073,985	2,500,000	(6,573,985)
Total Revenues	<u>9,073,985</u>	<u>9,073,985</u>	<u>2,500,000</u>	<u>(6,573,985)</u>
Expenditures				
Repair and Maintenance	2,400,000	2,400,000	-	2,400,000
Capital Outlay	6,673,985	6,673,985	4,461,279	2,212,706
Total Expenditures	<u>9,073,985</u>	<u>9,073,985</u>	<u>4,461,279</u>	<u>4,612,706</u>
Excess Revenues Over Net change in fund balance	<u>-</u>	<u>-</u>	<u>(1,961,279)</u>	<u>(1,961,279)</u>
Other Financing Sources (Uses)				
Transfers In	-	-	5,161,228	5,161,228
Transfers Out	-	-	(653,429)	(653,429)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>4,507,799</u>	<u>4,507,799</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>2,546,520</u>	<u>2,546,520</u>
Fund Balance, Beginning of year	<u>-</u>	<u>-</u>	<u>(2,826,639)</u>	<u>(2,826,639)</u>
Fund Balance, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (280,119)</u>	<u>\$ (280,119)</u>

Town of Palisade, Colorado
Notes to Required Supplementary Information
December 31, 2023

Note 1: Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

Budgets are adopted for all funds of the Town in accordance with State statutes. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures, but depreciation is not budgeted.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally adopted through passage of a resolution.
- Town management is authorized to transfer budgeted amounts between departments within any fund. However, revisions that alter the total expenditures of any fund must be approved by the Board of Trustees. State statutes stipulate that expenditures may not exceed budget appropriations at the fund level.
- All appropriations lapse at year end.

Supplementary Information

Town of Palisade, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	Tourism	Conservation Trust Fund	Palisade Rural Fire Protection District	Totals
Assets				
Cash	\$ 106,531	\$ 94,835	\$ 51,713	\$ 253,079
Accounts Receivable				
Property Tax Receivable	-	-	157,641	157,641
Lodging Tax and Other Receivable	-	-	1,384	1,384
	-	-	1,384	1,384
Total Assets	\$ 106,531	\$ 94,835	\$ 210,738	\$ 412,104
Liabilities				
Accounts Payable	\$ 340	\$ -	\$ 151	\$ 491
	340	-	151	491
Deferred Inflows of Resources				
Deferred Property Taxes	-	-	157,641	157,641
	-	-	157,641	157,641
Fund Balances				
Restricted for Park Improvements	-	94,835	-	94,835
Assigned for:				
Marketing	106,191	-	-	106,191
Public Safety	-	-	52,946	52,946
	106,191	94,835	52,946	253,972
Total Fund Balances	106,191	94,835	52,946	253,972
Total Liabilities and Fund Balances	\$ 106,531	\$ 94,835	\$ 210,738	\$ 412,104

Town of Palisade, Colorado

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended December 31, 2023

	Tourism	Conservation Trust Fund	Palisade Rural Fire Protection District	Totals
Revenues				
Taxes	\$ 116,302	\$ -	\$ 161,170	\$ 277,472
Intergovernmental	-	36,278	-	36,278
Investment Income	-	-	6,249	6,249
Miscellaneous	160	-	-	160
Total Revenues	<u>116,462</u>	<u>36,278</u>	<u>167,419</u>	<u>320,159</u>
Expenditures				
Current				
General Government	68,621	37,500	-	106,121
Public Safety	-	-	20,493	20,493
Total Expenditures	<u>68,621</u>	<u>37,500</u>	<u>20,493</u>	<u>126,614</u>
Excess of Revenues Over (Under) Expenditures	<u>47,841</u>	<u>(1,222)</u>	<u>146,926</u>	<u>193,545</u>
Other Financing Sources (Uses)				
Transfers Out	-	-	(148,000)	(148,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(148,000)</u>	<u>(148,000)</u>
Net Change in Fund Balances	47,841	(1,222)	(1,074)	45,545
Fund Balances, Beginning of year	<u>58,350</u>	<u>96,057</u>	<u>54,020</u>	<u>208,427</u>
Fund Balances, End of year	<u>\$ 106,191</u>	<u>\$ 94,835</u>	<u>\$ 52,946</u>	<u>\$ 253,972</u>

Town of Palisade, Colorado
 Budgetary Comparison Schedule
 Tourism Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Lodging Taxes	\$ 55,000	\$ 55,000	\$ 116,462	\$ 61,462
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>116,462</u>	<u>61,462</u>
Expenditures				
Marketing	<u>60,000</u>	<u>60,000</u>	<u>68,621</u>	<u>(8,621)</u>
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>68,621</u>	<u>(8,621)</u>
Net Change in Fund Balance	(5,000)	(5,000)	47,841	52,841
Fund Balance, Beginning of year	<u>43,415</u>	<u>43,415</u>	<u>58,350</u>	<u>14,935</u>
Fund Balance, End of year	<u>\$ 38,415</u>	<u>\$ 38,415</u>	<u>\$ 106,191</u>	<u>\$ 67,776</u>

Town of Palisade, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Lottery Funds	\$ 20,000	\$ 20,000	\$ 36,278	\$ 16,278
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>36,278</u>	<u>16,278</u>
Expenditures				
Park Improvements	50,000	50,000	37,500	12,500
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>37,500</u>	<u>12,500</u>
Net Change in Fund Balance	(30,000)	(30,000)	(1,222)	28,778
Fund Balance, Beginning of year	<u>56,000</u>	<u>56,000</u>	<u>96,057</u>	<u>40,057</u>
Fund Balance, End of year	<u>\$ 26,000</u>	<u>\$ 26,000</u>	<u>\$ 94,835</u>	<u>\$ 68,835</u>

Town of Palisade, Colorado
 Budgetary Comparison Schedule
 Palisade Rural Fire Protection District
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes - Property	\$ 142,265	\$ 142,265	\$ 142,710	\$ 445
Taxes - Other	19,261	19,261	18,459	(802)
Investment Income	1,500	4,760	6,249	1,489
Miscellaneous Income	50,750	1,500	-	(1,500)
Total Revenues	<u>213,776</u>	<u>167,786</u>	<u>167,418</u>	<u>(368)</u>
Expenditures				
Public Safety	163,747	169,470	20,493	148,977
Capital Outlay	50,000	-	-	-
Total Expenditures	<u>213,747</u>	<u>169,470</u>	<u>20,493</u>	<u>148,977</u>
Excess Revenues Over (Under) Expenditures	29	(1,684)	146,925	148,609
Other Financing Sources (Uses)				
Transfers Out	-	-	(148,000)	(148,000)
Net Change in Fund Balance	29	(1,684)	(1,075)	609
Fund Balance, Beginning of year	<u>51,460</u>	<u>51,373</u>	<u>54,021</u>	<u>2,648</u>
Fund Balance, End of year	<u>\$ 51,489</u>	<u>\$ 49,689</u>	<u>\$ 52,946</u>	<u>\$ 3,257</u>

Town of Palisade, Colorado
 Budgetary Comparison Schedule
 Water Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 1,060,000	\$ 1,060,000	\$ 1,068,415	\$ 8,415
Tap Fees	15,000	15,000	37,731	22,731
Interest Income, penalties and miscellaneous	5,000	5,000	118,651	113,651
Transfers in	-	-	218,911	218,911
	<u>1,080,000</u>	<u>1,080,000</u>	<u>1,443,708</u>	<u>363,708</u>
Expenditures				
Operating Expenses	895,337	935,337	934,166	1,171
Capital Outlay	85,000	155,000	50,472	104,528
Debt Principal	478,786	478,786	490,560	(11,774)
	<u>1,459,123</u>	<u>1,569,123</u>	<u>1,475,198</u>	<u>93,925</u>
Change in Net Position, Budgetary Basis	<u>\$ (379,123)</u>	<u>\$ (489,123)</u>	(31,490)	<u>\$ 457,633</u>
Adjustments to GAAP Basis				
Depreciation			(351,970)	
Capital Outlay			5,119	
Debt Principal			<u>415,764</u>	
Change in Net Position, GAAP Basis			<u>\$ 37,423</u>	

Town of Palisade, Colorado
 Budgetary Comparison Schedule
 Utility Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 764,000	\$ 764,000	\$ 861,957	\$ 97,957
Tap Fees	15,000	15,000	692	(14,308)
Investment Income and miscellaneous	4,000	4,000	154,841	150,841
Transfers In	-	-	419,982	419,982
	<u>783,000</u>	<u>783,000</u>	<u>1,437,472</u>	<u>654,472</u>
Expenditures				
Operating Expenses	525,649	525,649	658,489	(132,840)
Capital Outlay	348,000	348,000	334,357	13,643
	<u>873,649</u>	<u>873,649</u>	<u>992,846</u>	<u>(119,197)</u>
Change in Net Position, Budgetary Basis	<u>\$ (90,649)</u>	<u>\$ (90,649)</u>	444,626	<u>\$ 535,275</u>
Adjustments to GAAP Basis				
Depreciation			(166,572)	
Capital Outlay			<u>334,357</u>	
Change in Net Position, GAAP Basis			<u>\$ 612,411</u>	

Compliance Section

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/23
This Information From The Records Of: Town of Palisade	Prepared By: Gregg Mueller

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ -
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	\$ 69,037.36	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 12,458.42	d. Total (a. through c.)	\$ -
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ -
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 81,495.78	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 78,554.06	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 160,049.84	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ -

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				\$ -
1. Bonds (Refunding Portion)				\$ -
B. Notes (Total)				\$ -

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 160,049.84	\$ -		\$ 160,049.84

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
 YEAR ENDING (mm/yy):
12/23

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 12,458.42
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	\$ 69,037.36	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 69,037.36	h. Other	
c. Total (a. + b.)	\$ 69,037.36	i. Total (a. through h.)	\$ 12,458.42
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 78,554.06	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		d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ -	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 78,554.06	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: