



City of Fruita Financial Statements

Fiscal Year Ending December 31, 2023



Financial Statement Components

1. Auditor's Reports

2. Management's
Discussion and
Analysis - MD&A

3. Basic Financial
Statements

4. Notes to the
Financial Statements

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Supplementary
Information

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Information

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Fund Types

Governmental Funds

Primarily funded with tax and intergovernmental revenues

Modified Accrual Basis

- General Fund
- Community Center Fund
- Capital Projects Fund
- Debt Service Fund
- Marketing and Promotion Fund
- Economic Development Fund
- Public Places Fund
- Conservation Trust Fund
- Fruita Housing Authority
- Fleet Maintenance Fund (Internal service fund)

Proprietary Funds

Intent to recover all of their costs through user fees and charges

Accrual Basis

- Sewer Fund
- Trash Fund
- Irrigation Fund
- Devils Canyon Center Fund

Fiduciary Funds

Funds held in trust for others

Accrual Basis

- Retirement Funds
 - General City Retirement
 - Executive Plan
 - Police
- Private Purpose Trust Fund (School Land Dedication Fund)

Government Wide Financial Statements

Government-wide financial statements provide an overall picture of a government's financial position and results of operations. They are designed to present a long-term view of the government's finances. They include the Statement of Net Position and Statement of Activities

Government Wide

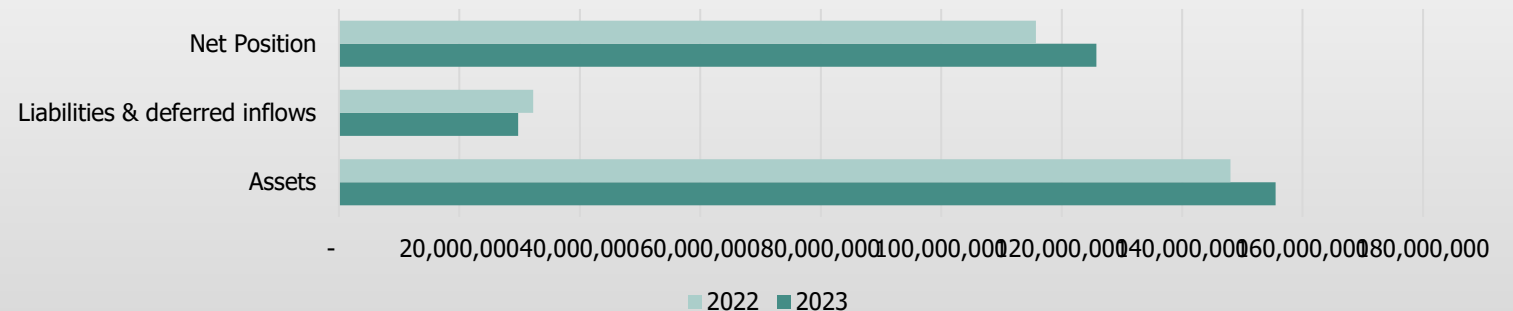
Net Position

Net Position = Assets – Liabilities and deferred inflows

Net Position increased \$10 million
(8.6%) from prior year

CITY OF FRUITA - NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and other assets	\$ 34,736,598	\$33,044,862	\$ 9,622,047	\$ 9,652,122	\$ 44,358,645	\$ 42,696,984
Capital assets	69,720,226	65,586,502	41,452,482	39,716,247	111,172,708	105,302,749
Total assets	104,456,824	98,631,364	51,074,529	49,368,369	155,531,353	147,999,733
LIABILITIES						
Current and other liabilities	3,340,049	3,147,353	2,191,209	3,462,758	5,531,258	6,610,111
Long term liabilities	9,760,084	10,238,869	11,777,678	12,935,569	21,537,762	23,174,438
Total liabilities	13,100,133	13,386,222	13,968,887	16,398,327	27,069,020	29,784,549
TOTAL DEFERRED INFLOWS OF RESOURCES						
	2,716,281	2,486,329	-	-	2,716,281	2,486,329
NET POSITION						
Net investment in capital assets	59,224,576	55,036,318	28,318,217	25,721,467	87,542,793	80,757,785
Restricted	7,559,719	6,557,119	1,013,267	940,028	8,572,986	7,497,147
Unrestricted	21,856,115	21,165,376	7,774,158	6,308,547	29,630,273	27,473,923
TOTAL NET POSITION	\$88,640,410	\$82,758,813	\$37,105,642	\$32,970,042	\$ 125,746,052	\$ 115,728,855

Government Wide Assets. Liabilities and Deferred Inflows



Net Position

Net investment in capital assets – 70%

Capital assets less depreciation and outstanding debt for acquisition (not available for use)

Increase of \$6.8 million – 8%

Restricted assets – 7%

Assets with restrictions imposed by law - bond reserve funds, development impact fees, emergency reserve, special revenue funds

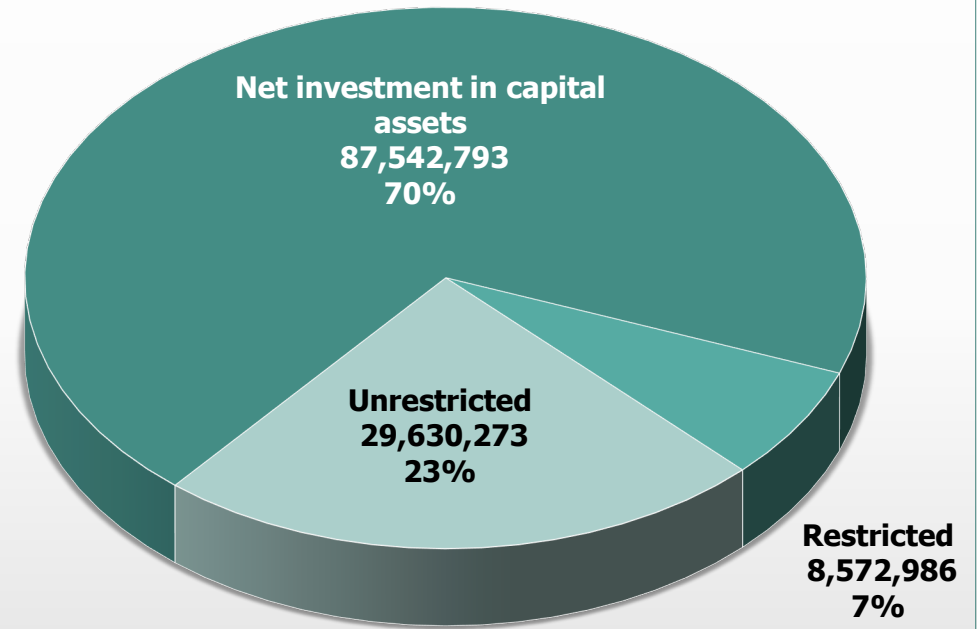
Increase of \$1.1 million -14%

Unrestricted assets – 23%

Amounts available for other purposes including amounts assigned by the City for certain purposes, operating reserves and unassigned amounts.

Increase of \$2.2 million – 8%

Net Position - \$125.7 million



Assets and Liabilities and deferred inflow of resources

Totals Government-wide

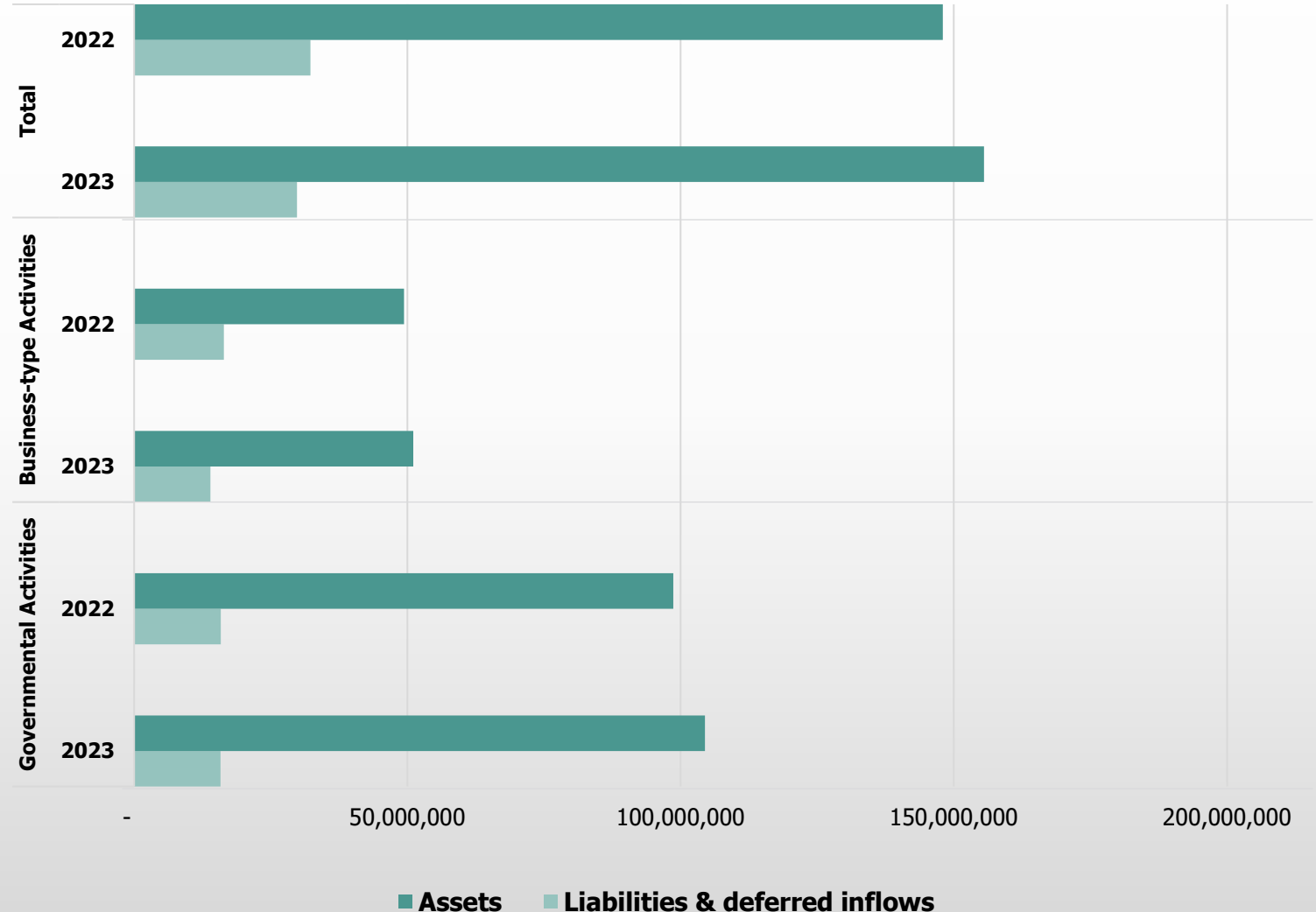
- Increase of \$7.5 million in assets
- Decrease of \$2.5 million decrease in liabilities and deferred inflows of resources

Business-type Activities

- Assets increased of \$1.7 million (3%) with 100% of this increase related to capital assets
- Liabilities **decreased \$2.4 million (-15%)** with a decrease of \$1.2 million in current liabilities and a decrease of \$1.2 million in long term liabilities

Governmental Activities

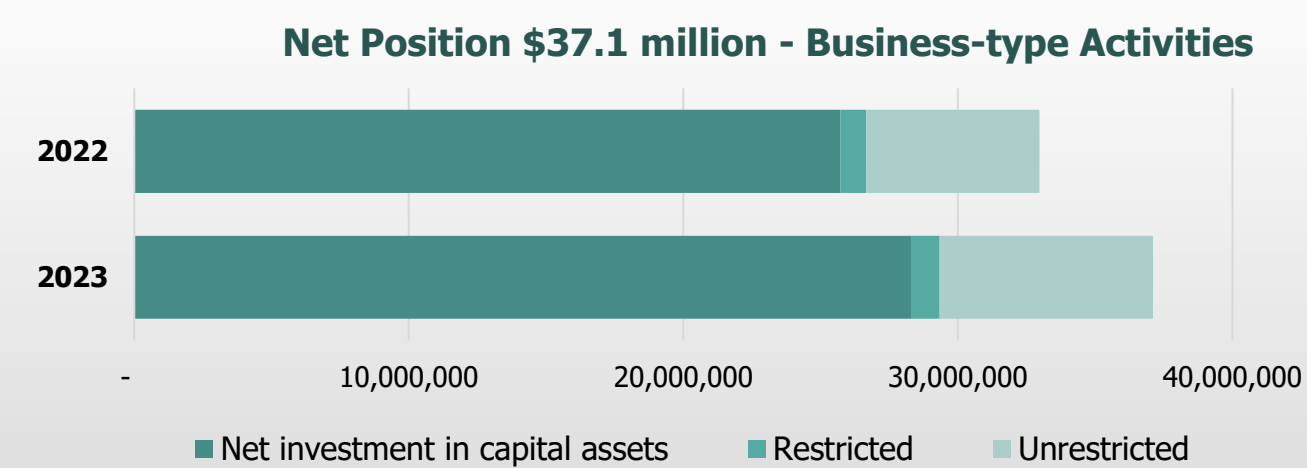
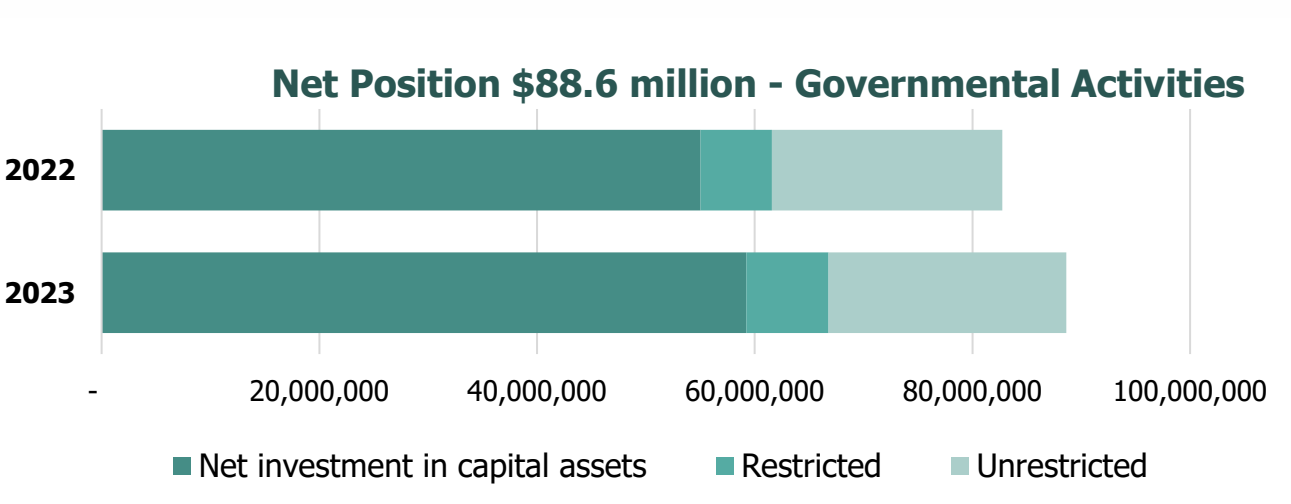
- Assets increased of \$5.8 million (6%) with a \$1.7 million increase in current assets and a \$4.1 million increase in capital assets
- Liabilities and deferred inflows of resources were virtually unchanged from the prior year.



Change in Net Position

Of the total \$10 million increase in net position:

- Governmental activities increased \$5.9 million (7%)
- Business-type activities increased \$4.1 million (12.5%)

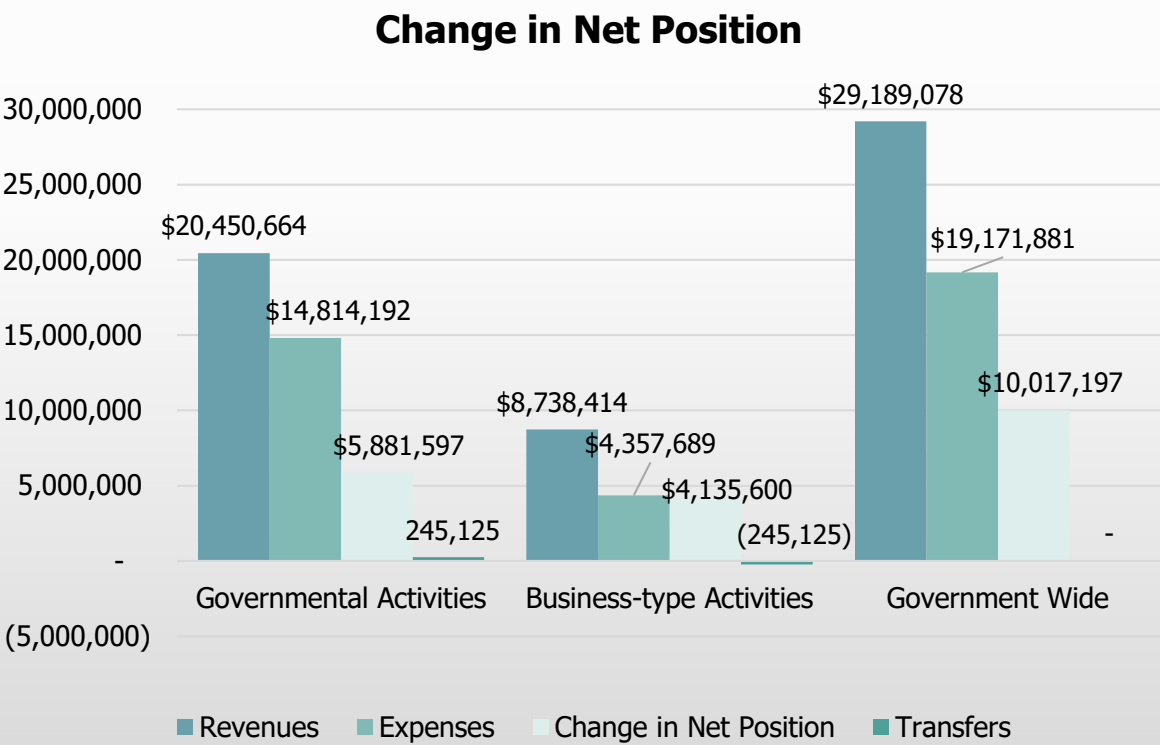


Change in Net Position

Of the total \$10 million increase in net position:

- Governmental activities increased \$5.9 million (7%)
- Business-type activities increased \$4.1 million (12.5%)

Condensed Statement of Activities						
	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Total Revenues	\$ 20,450,664	\$19,347,520	\$ 8,738,414	\$ 6,051,809	\$ 29,189,078	\$ 25,399,329
Total Expenses	(14,814,192)	(13,505,344)	(4,357,689)	(4,083,790)	(19,171,881)	(17,589,134)
Transfers	245,125	244,125	(245,125)	(244,125)	-	\$ -
Change in Net Position	\$ 5,881,597	\$ 6,086,301	\$ 4,135,600	\$ 1,723,894	\$ 10,017,197	\$ 7,810,195
Beginning Net Position, restated	82,758,813	76,672,512	32,970,042	31,246,148	115,728,855	107,918,660
Ending Net Position	\$ 88,640,410	\$82,758,813	\$37,105,642	\$32,970,042	\$ 125,746,052	\$ 115,728,855



Governmental Fund Statements

Governmental fund statements provide detailed financial information about the various funds used by the City to track specific activities. They provide information on whether the City is able to meet its current obligations and how resources have been allocated among different departments and programs. These statements focus on the short-term financial resources available and the sources and uses of those resources.

Governmental Fund statements include the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

Fund Statements

Fund statements are categorized by major and non-major funds as defined by GASB Statement No. 34. Major funds of the City include:

- General Fund,
- Community Center Fund,
- Capital Projects Fund and
- Sewer Fund

Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual for each major fund can be found in the Required Supplementary Information and for nonmajor funds in the Supplementary Information of the Financial Statements

Fund Statements – General Fund Overview

General Fund Budget
General Fund - Final Budget vs Actuals

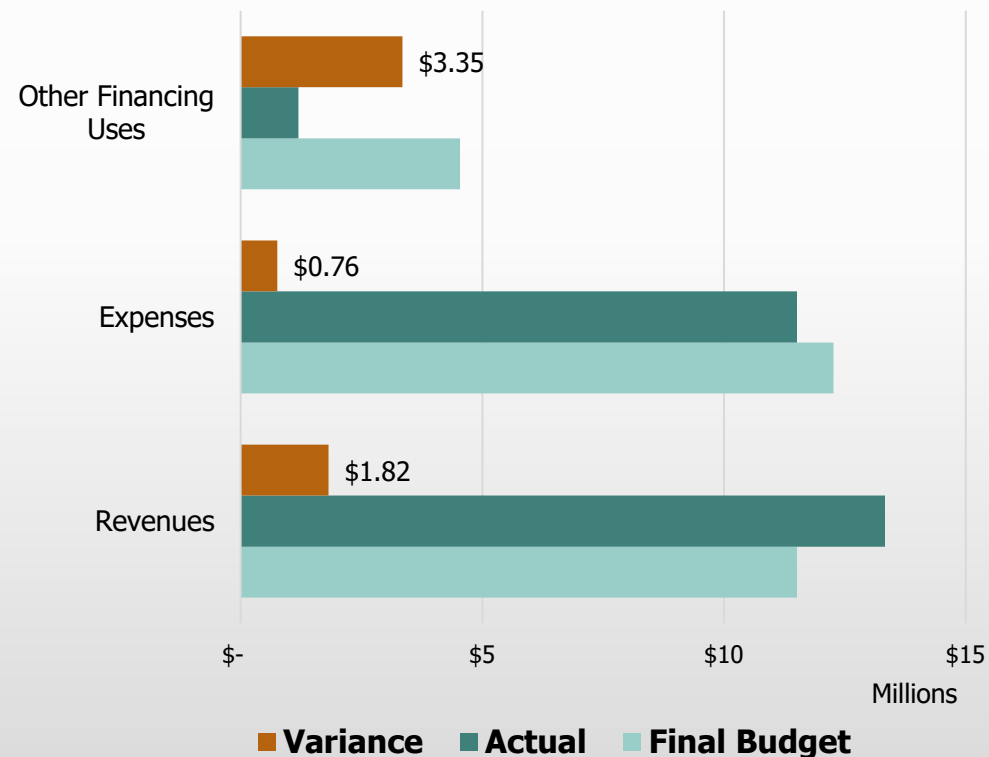
Description	Final Budget	Actual	Difference	% of Variance
Revenues	\$ 11,511,300	\$ 13,326,867	\$ 1,815,567	31%
Expenses	(12,264,885)	(11,507,522)	757,363	13%
Other Financing Uses	(4,540,925)	(1,194,540)	3,346,385	57%
Excess revenues (expenses)	\$ (5,294,510)	\$ 624,805	\$ 5,919,315	100%

Budget. Expenses and other financing uses were budgeted to exceed revenues by \$5.3 million with the use of fund balance to fund one-time capital projects.

Actual. Revenues exceeded expenses and other financing uses by \$624,805 million.

Variance. This resulted in a positive variance \$5.9 million.

General Fund - Final Budget to Actual



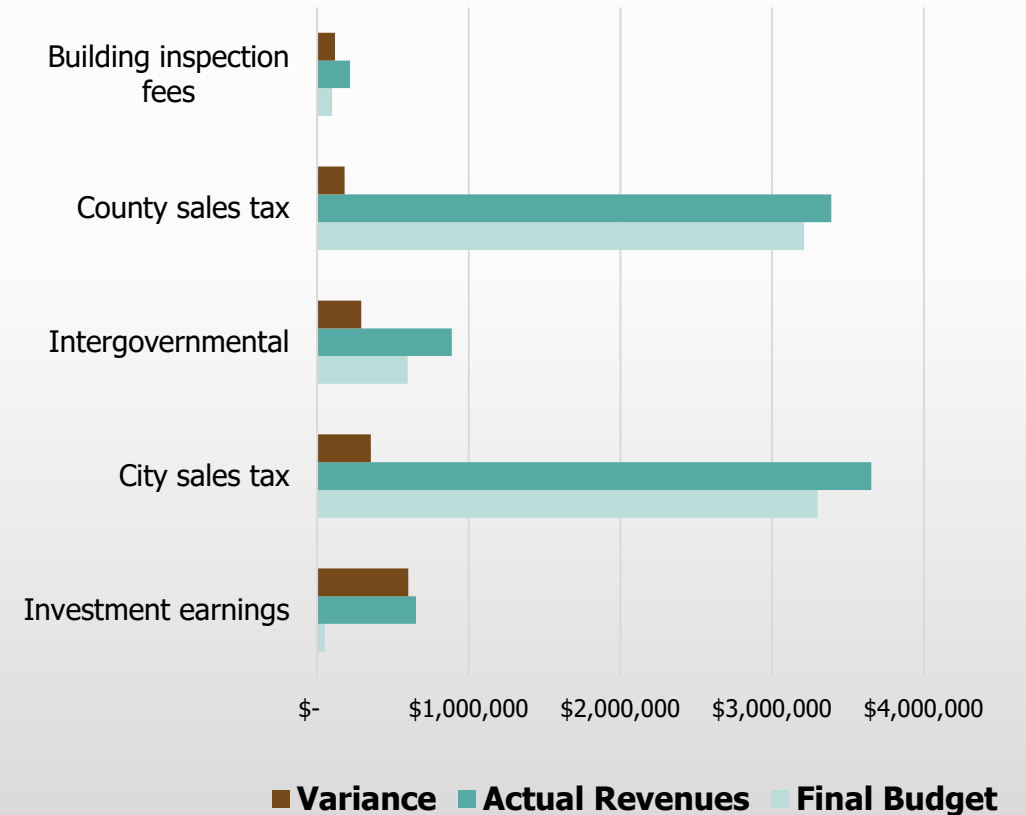
Fund Statements – General Fund Revenues

Significant Revenue Variations - Final Budget vs Actual

<u>Description</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Variance</u>	<u>% Chg</u>
		<u>Revenues</u>			
Investment earnings	\$ 50,000	\$ 651,336	\$ 601,336	1203%	
City sales tax	3,300,000	3,653,271	353,271	11%	
Intergovernmental	597,300	888,793	291,493	49%	
County sales tax	3,210,000	3,390,948	180,948	6%	
Building inspection fees	100,000	217,908	117,908	118%	
	<u>\$ 7,257,300</u>	<u>\$ 8,802,256</u>	<u>\$ 1,544,956</u>	<u>21%</u>	

Revenues of \$13.3 million exceeded budget by \$1.8 million. The above revenue sources account for \$1.5 million (85%) of the variance between budgeted and actual revenues.

Revenues - Significant Variations



Fund Statements – General Fund Expenses

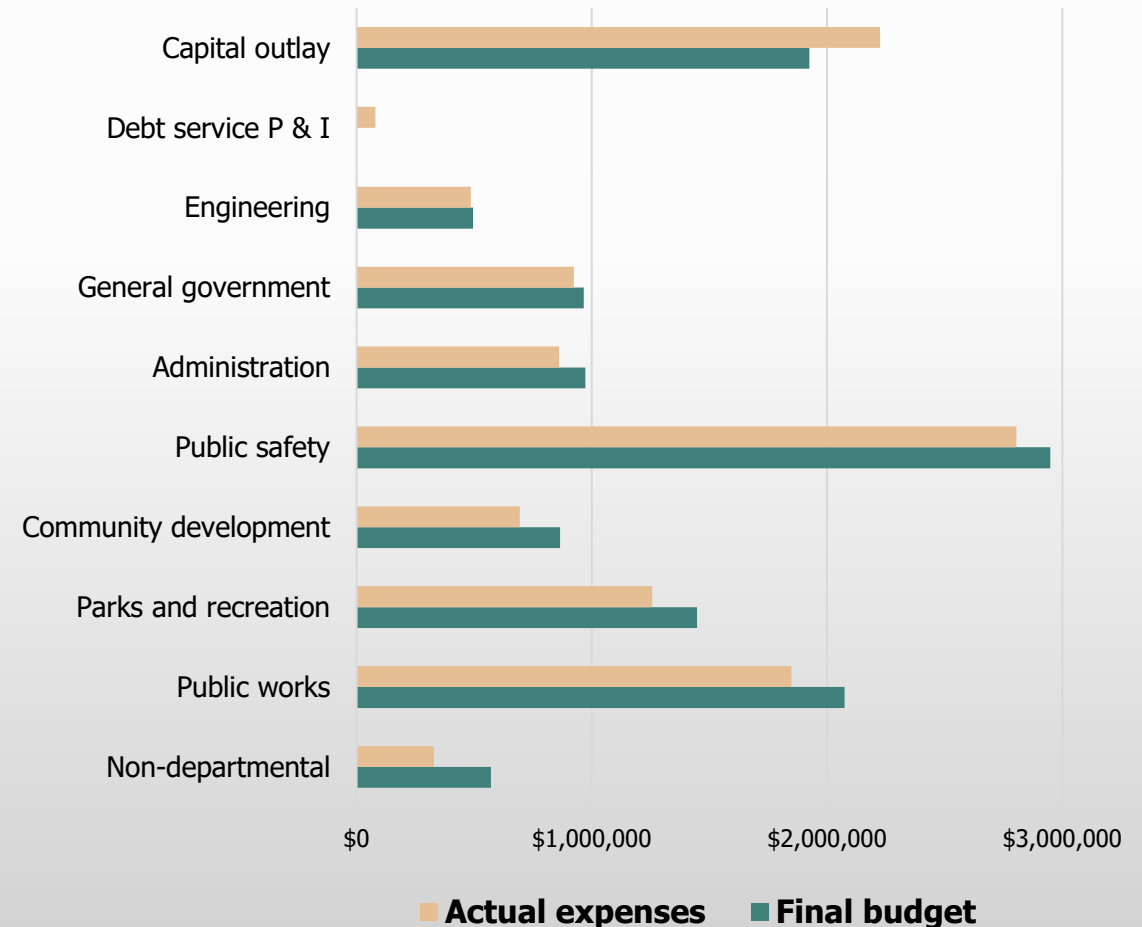
Final Budgeted Expenses vs Actual Expenses

	<u>Final budget</u>	<u>Actual expenses</u>	<u>\$ Variance</u>	<u>% Variance</u>
Non-departmental	570,728	329,456	(241,272)	-42%
Public works	2,074,498	1,848,022	(226,476)	-11%
Parks and recreation	1,447,430	1,257,272	(190,158)	-13%
Community development	865,634	693,037	(172,597)	-20%
Public safety	2,948,554	2,804,040	(144,514)	-5%
Administration	972,016	861,267	(110,749)	-11%
General government	965,576	923,483	\$ (42,093)	-4%
Engineering	495,494	486,207	(9,287)	-2%
Debt service P & I	-	79,764	79,764	N/A
Capital outlay	1,924,955	2,224,974	300,019	16%
Total expenses	\$ 12,264,885	\$ 11,507,522	\$ (757,363)	-6%

Expenses of \$11.5 million were under budget by \$757,363.

- Non-departmental expenses , primarily unspent contingency funds, were under budget by \$241,272
- Capital expenses and debt service principal and interest were over budget by \$379,783. This represents reclassification of software subscriptions as capital assets and debt payments versus purchased services and is offset by similar reductions in purchased services.
- Various departmental operating expenses were under budget as noted in the above table.

Final Budget vs Actual Expenses



Fund Statements – General Fund

Other Financing Sources (Uses)

Other Financing Sources (Uses) - Final Budget vs Actuals

	<u>Final budget</u>	<u>Actual</u>	<u>\$ Variance</u>	<u>% Variance</u>
Transfers in	\$ 251,125	\$ 251,125	\$ -	0%
Transfers out	(4,801,200)	(2,218,569)	2,582,631	-54%
Insurance damage awards	-	642	642	N/A
Subscription/lease financing	-	664,698	664,698	N/A
Sale of capital assets	9,150	107,564	98,414	100%
<u>Total other financing uses</u>	<u>\$ (4,540,925)</u>	<u>\$ (1,194,540)</u>	<u>\$ 3,346,385</u>	<u>-74%</u>

Other financing sources (uses) had a positive variance to budget of \$3.3 million. This variance accounts for 57% of the total budget variations in the General Fund.

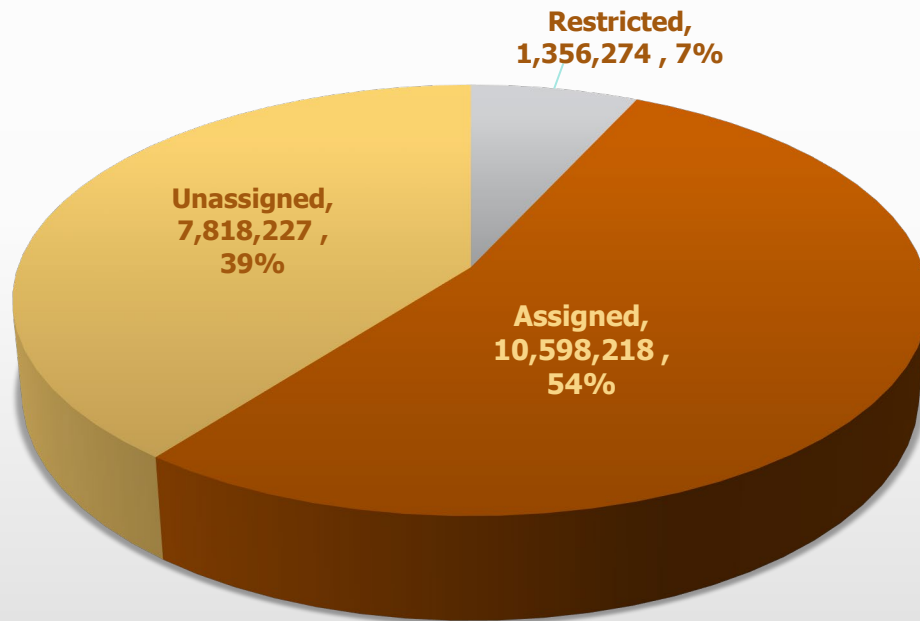
Transfers to other funds were budgeted at \$4.8 million and actual transfers were \$2.2 million accounting for \$2.6 million of the \$3.3 million variance. Transfers out represent funds to be transferred to other funds, primarily the Capital Project Fund.

Due to various factors, a number of capital projects scheduled for construction in 2023 were postponed or not completed in 2023 and have been reappropriated in the 2024 Budget for completion.

The other significant variance in budget vs. actuals is due to the implementation of new accounting standards for SBITAs. This variance represents the recognition of long-term subscription liabilities and the corresponding right-to-use assets on the financial statements. These new standards change the way long-term financing is reported, requiring the inclusion of SBITAs and leases over their estimated life, which affects both the budget and financial statements.

Fund Statements – General Fund Fund Balance

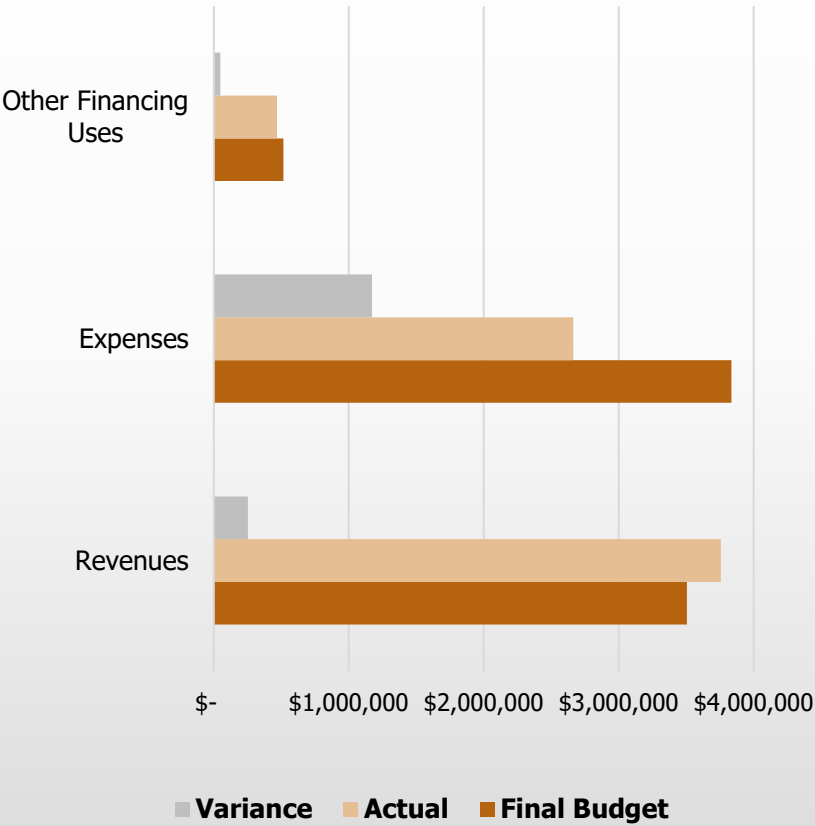
General Fund Balance - \$19.8 million



- ✓ Restricted funds of \$1.4 million represent 7% of the fund balance and include amounts restricted for the TABOR Emergency reserve (\$400,000), public safety expenses from the dedicated portion of County sales tax (\$507,482) and interest on chip seal fees restricted for use in chipseal projects.
- ✓ Assigned funds of \$10.6 million represent 54% of the fund balance and include amounts assigned for specific purposes with the two largest amounts assigned for subsequent (2024) year expenses (\$8.5 million) and vehicle/equipment replacement (\$1.6 million).
- ✓ Unassigned funds of \$7.8 million represents 39% of the fund balance and includes the operating reserve of \$2.3 million which represents 25% of the 2023 operating expenses and the remaining \$5.5 million is unrestricted and may be used for any purposes of the City.

Fund Statements - Community Center Fund - Overview

Final Budget to Actual



Final Budget vs Actuals

Description	Final Budget		Actual		Variance	% of Variance
Revenues	\$	3,504,600	\$	3,757,421	\$ 252,821	17%
Expenses	\$	3,835,175	\$	2,663,137	\$ 1,172,038	80%
Other Financing Uses	\$	516,600	\$	467,414	\$ 49,186	3%
Excess revenues (expenses)	\$	(847,175)	\$	626,870	\$ 1,474,045	100%

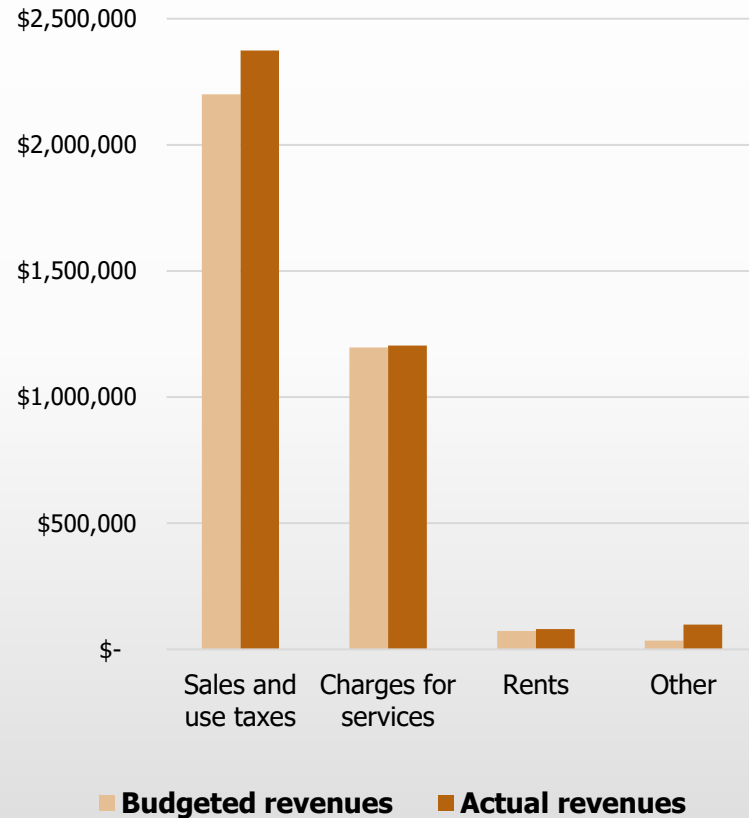
Budget. Expenses and other financing uses were budgeted to exceed revenues by \$847,175 with the use of fund balance to fund one-time capital projects.

Actual. Revenues exceeded expenses and other financing uses by \$626,870

Variance. This resulted in a positive variance \$1.5 million

Fund Statements - Community Center Fund Revenues

Revenues



Revenue Source	Budgeted revenues	Actual revenues	Variance	% Chg
Sales and use taxes	\$ 2,200,000	\$ 2,373,953	\$ 173,953	8%
Charges for services	1,196,500	1,204,784	8,284	1%
Rents	72,700	80,749	8,049	11%
Other	35,400	97,935	62,535	177%
	<u>\$ 3,504,600</u>	<u>\$ 3,757,421</u>	<u>\$ 252,821</u>	<u>7%</u>

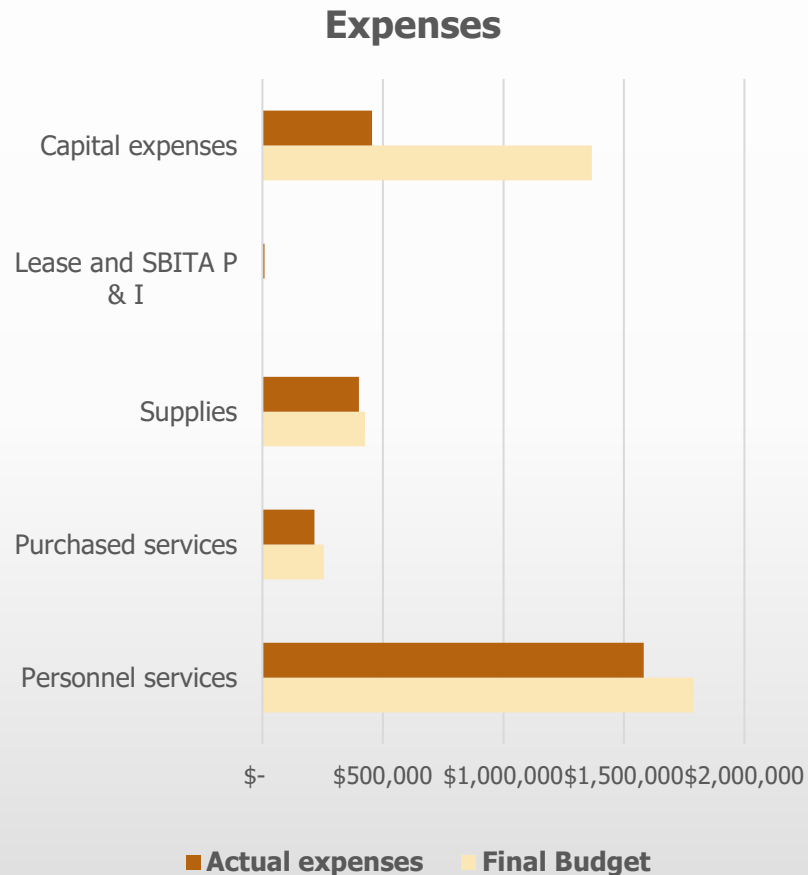
Revenues of \$3.8 million exceeded budget by \$252,821.

Sales and use tax revenues account for 69% of this variance and exceeded budget amounts by \$173,953 (8%).

Charges for services were on budget with an \$8,284 variance to budget.

Other revenues exceeded budgeted amounts by \$62,535 (177%) with interest earnings on investments accounting for \$45,708 (73%) of this variance.

Fund Statements - Community Center Fund Expenses



Community Center Fund Expenses - Budget to Actual

Category	Final Budget	Actual expenses	Difference	% (Under) Over Budget
Personnel services	\$ 1,788,200	\$ 1,582,630	\$ (205,570)	-11%
Purchased services	254,465	216,350	(38,115)	-15%
Supplies	425,710	400,545	(25,165)	-6%
Lease and SBITA P & I	-	9,009	9,009	N/A
Capital expenses	1,366,800	454,603	(912,197)	-67%
Total operating expenses	\$ 3,835,175	\$ 2,663,137	\$ (1,172,038)	-31%

Expenses of \$2.6 million were under budget by \$1.2 million (31%).

- Capital expenses were \$912,197 under budget and reflect postponement of capital expenses (waterslide). These funds were reappropriated for expense in 2024.
- Personnel services were under budget by \$205,570 (11%) primarily due to vacancies throughout the year in various programs.

Fund Statements - Community Center Fund

Other Financing Sources (Uses)

Other Financing Sources (Uses)				
<u>Description</u>	<u>Final Budget</u>	<u>Actual source (use)</u>	<u>Difference</u>	<u>% (Under) Over Budget</u>
Insurance awards	\$ 135,000	\$ 129,199	\$ (5,801)	-4%
Property sales	-	1,669	1,669	N/A
Subscription financing	-	21,281	21,281	N/A
Transfers in	95,000	95,000	-	0%
Transfers out	(746,600)	(714,563)	32,037	-4%
Total other financing uses	<u>\$ (516,600)</u>	<u>\$ (467,414)</u>	<u>\$ 49,186</u>	<u>-10%</u>

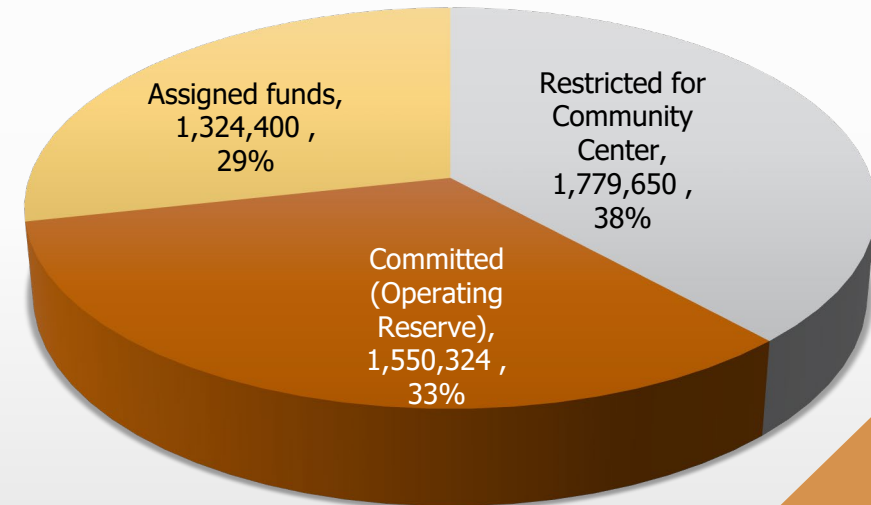
Other financing sources (uses) of (\$467,414) had a positive budget variance of \$49,186.

- Transfers out of \$714,563 reflects the transfer to the Debt Service Fund for payment of the revenue bonds for construction of the Community Center and were under budget by \$32,037 due to increased interest revenues on the bond reserve funds in the Debt Service Funds.

Fund Statements - Community Center Fund – Fund Balance

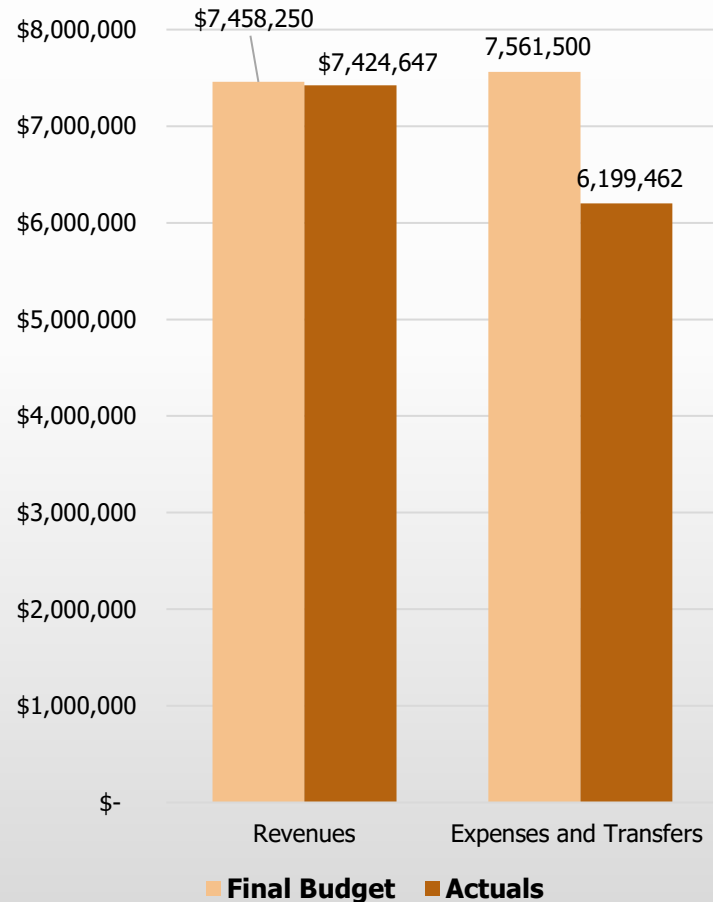
- ✓ Restricted funds of \$1.8 million represents 38% of the fund balance. These funds are restricted only in that the funds must be used for purposes of the Community Center.
- ✓ Assigned funds of \$1.3 million include amounts assigned for subsequent year (2024) expense and represents 29% of the total fund balance.
- ✓ Committed funds of \$1.5 million represents 33% of the fund balance and includes \$1,000,000 set aside for facility improvements and the operating reserve of \$550,324 which represents 25% of the 2023 operating expenses.

**Community Center Fund Balance
\$4.6 million**



Fund Statements - Sewer Fund Overview

Final Budget to Actual



Sewer Fund Budget to Actual Highlights

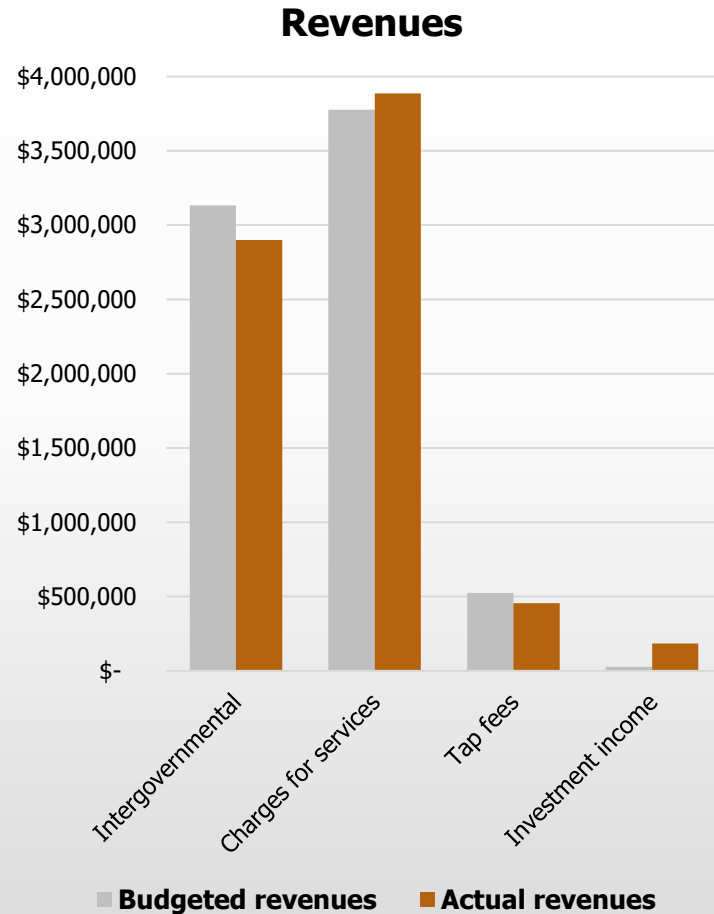
Description	Final Budget	Actuals	Variance	% of Variance
Operating revenues	\$ 3,776,000	\$ 3,886,160	110,160	8%
Operating expenses	(6,148,275)	(4,786,257)	1,362,018	103%
Non-operating revenues (expenses)	1,909,025	1,835,099	(73,926)	-6%
Capital contributions (taps)	525,000	455,183	(69,817)	-5%
Transfers	(165,000)	(165,000)	-	0%
Excess revenues (expenses)	<u>\$ (103,250)</u>	<u>\$ 1,225,185</u>	<u>\$ 1,328,435</u>	<u>111%</u>

Budget. Expenses were budgeted to exceed revenues by \$103,250

Actual. Revenues exceeded expenses by \$1.2 million.

Variance. This resulted in a positive variance \$1.3 million

Fund Statements - Sewer Fund Revenues

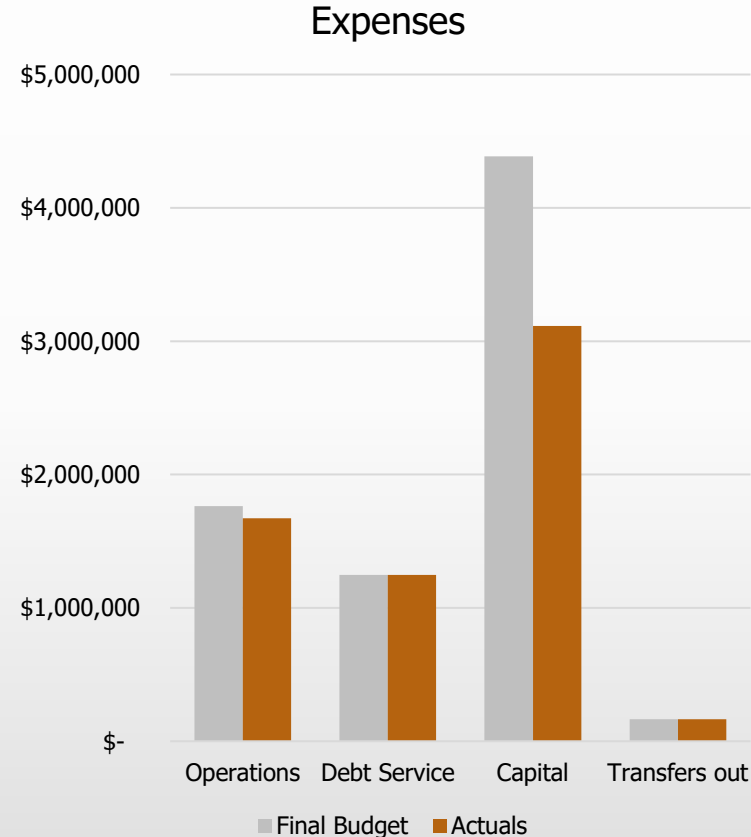


Revenues	Budgeted revenues		Actual revenues		Variance	% Diff
Intergovernmental	\$	3,131,250	\$	2,898,694	\$ (232,556)	-7%
Charges for services	\$	3,776,000	\$	3,886,160	\$ 110,160	3%
Tap fees	\$	525,000	\$	455,183	\$ (69,817)	-13%
Investment income	\$	26,000	\$	184,610	\$ 158,610	610%
Total revenues	\$	7,458,250	\$	7,424,647	\$ (33,603)	0%

Revenues of \$7.4 million were slightly under budget by \$33,603 (0%).

- Intergovernmental revenues of \$2.9 were under budgeted amounts by \$232,556. The budget included ARPA grant funds for the H2S mitigation project. These funds were reappropriated for use in 2024 to complete the project.
- Investment income exceeded budget by \$158,610 (610%).
- Charges for services exceeded budget by \$110,160 (3%)

Fund Statements - Sewer Fund Expenses



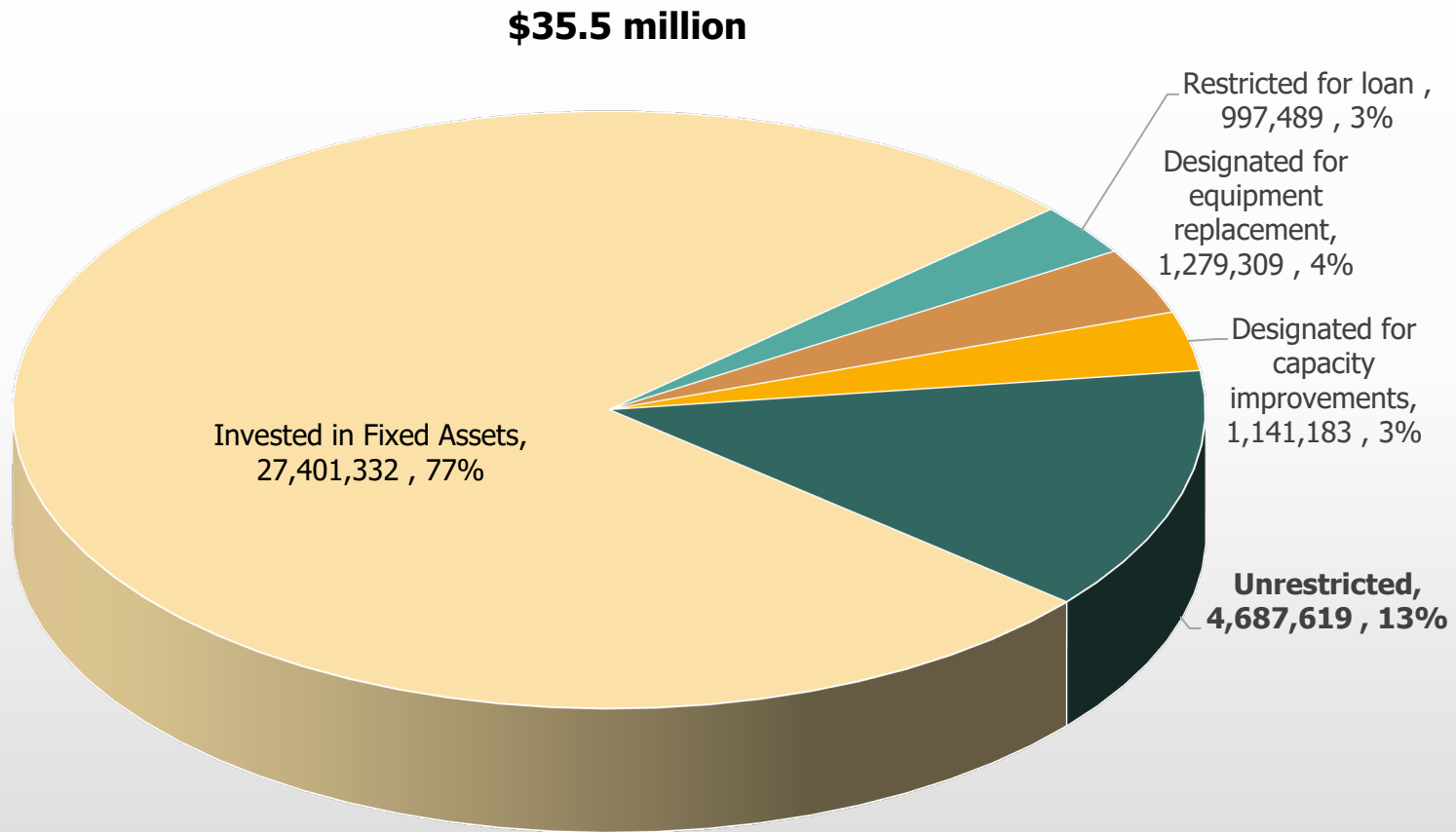
Final Budget vs Actuals

	Final Budget	Actuals	Variance	% Diff
Operations	\$ 1,762,745	\$ 1,673,087	\$ 89,658	5%
Debt Service	1,248,225	1,248,225	\$ -	0%
Capital	4,385,530	3,113,170	\$ 1,272,360	29%
Transfers out	165,000	165,000	\$ -	0%
Total Expenses	\$ 7,561,500	\$ 6,199,482	\$ 1,362,018	18%

Expenses of \$6.2 million were under budget by \$1.3 million (18%).

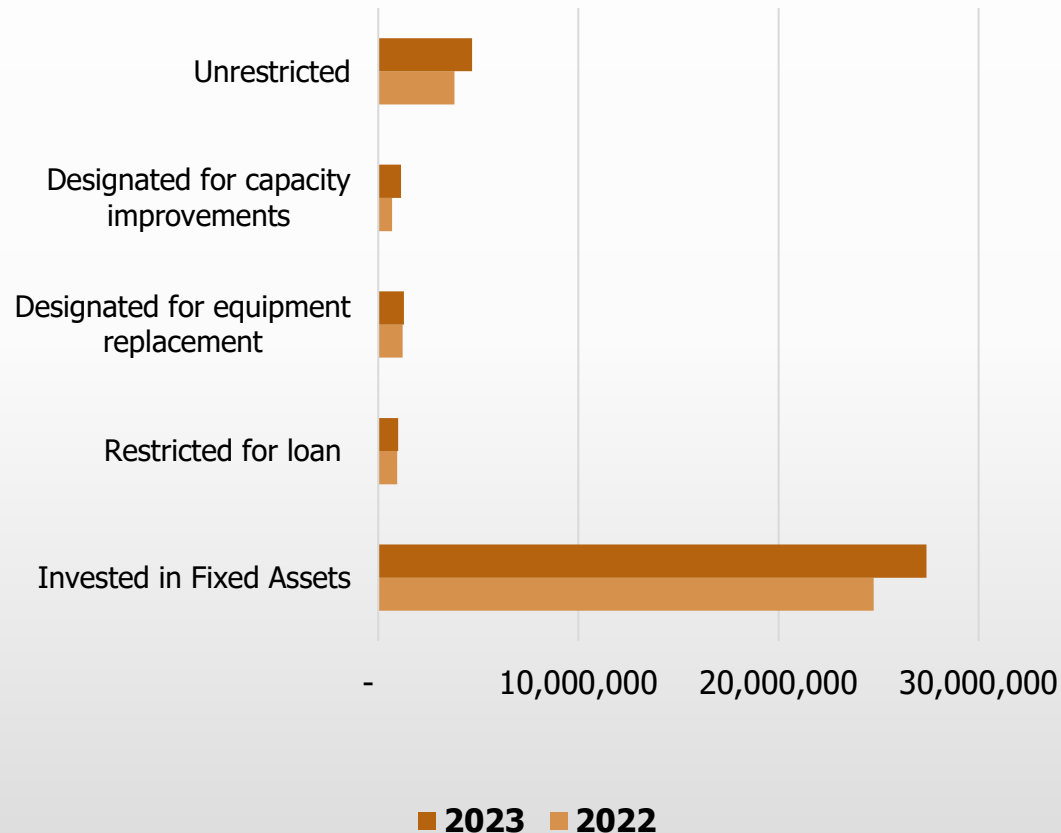
- Capital expenses of \$3.1 million were under budget by \$1.3 million. This is a result of both savings on capital projects completed and reappropriation of funds in 2024 for completion of projects and capital equipment.

Fund Statements - Sewer Fund – Net Position



Fund Statements - Sewer Fund – Net Position

Components of Net Position



The net position of the Sewer Fund increased by \$4.1 million from the prior year.

- ✓ Investments in capital assets, net of related debt, increased \$2.6 million (11%)
- ✓ Amounts designated for mobile equipment replacement and WWTF equipment increased by \$59,000 to reflect the annual addition of funds for the mobile equipment replacement fund.
- ✓ Amounts designated for capacity improvements increased \$455,183 – the amount of the sewer plant investment fees received in 2023
- ✓ Amounts restricted for the WWTF loan covenants increased by \$57,461 to reflect changes in operating expenses and debt service requirements
- ✓ The unrestricted net position increased \$877,716

Capital Asset Additions

Capital Asset Additions			
Governmental Funds		Proprietary Funds	
Pine Street Bridge	\$ 1,124,413	Computer equipment	\$ 49,226
169 S Mulberry property acquisition	833,544	Software subscriptions (SBITA)	20,082
Right to use assets (Lease &SBITA's)	733,898	Irrigation shares - Sycamore Estates	6,000
Mobile equipment	516,280	AED defibrillator	2,426
Mulberry Street Plaza	445,979	Construction in progress:	
Civic Center remodel	328,099	H2S Mitigation	1,849,456
Overlays	269,053	Removable Aeration System	1,049,238
Beach property acquisition	251,993	Mixer Bearing Assembly	162,825
Electric Vehicle charging stations	135,082	Subdivision infrastructure	
FCC Gym floor replacement	132,183	Orchard Ridge Ph4	31,660
FCC equipment	109,731	Sycamore Estates	17,950
Sidwalks	97,796		
FCC solar array	90,750		
Office furniture and equipment	89,199		
Dog Park	46,945		
Computer hardware	43,430		
Mulberry alley	31,418		
Parks equipment	36,559		
Other	4,970		
Construction in progress:			
Reed Park	346,922		
Broadband CNL	254,826		
Other projects	199,232		
Subdivision infrastructure			
Orchard Ridge Ph 4	281,106		
Sycamore Estates Minor	269,130		
Dana Minor Subdivision	36,884		
Grand Avenue Townhomes	35,823		
Mulberry Multi-family	16,626		
Total	\$ 6,761,871	Total	\$3,188,863

**Includes fleet maintenance equipment*