ANNUAL COMPREHENSIVE FINANCIAL REPORT

CORTEZ

For the Year Ended December 31, 2023

City of Cortez, Colorado

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
CITY OF CORTEZ, COLORADO
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

Prepared by the Finance Department

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City of Cortez
123 Roger Smith Ave
Cortez, CO 81321

June 19, 2024

Dear Cortez citizens, City Council, and partner organizations,

The City is responsible for the preparation and fair public presentation of its financial statements, in accordance with accounting principles generally accepted within the United States, and for the design, implementation, and maintenance of internal controls that are relevant to such presentations, free from material misstatements due to fraud or error.

- **Results of the Audit**
  The 2023 independent audit resulted in an unqualified audit opinion, with no findings or recommendations of correction.

- **Internal controls including objectives and inherent limitations**
  To provide a sound basis for making these representations, management has established a comprehensive internal-control system that's designed to protect both the City's assets from loss, theft, or misuse, and to compile sufficient, reliable information for the preparation and evaluation of the City's financial statements (in conformity with generally accepted accounting principles or GAAP). Customarily, the cost of internal controls should not outweigh their benefits.

- **Population and description of gov structure**
  Platted in 1886, incorporated in 1902, and chartered as a city in 1952, the City is the county seat for Montezuma County. Tucked away in the southwest corner of Colorado (only 40 miles away from the Four Corners Monument), this small, rural town has a population of 8,832 residents. The City is a home-rule city with a council manager government. The council appoints a mayor and the seven Council members embody the legislative and governing body of the City. The City Manager is appointed by City Council and serves as the Chief Executive officer of the administrative branch and is responsible for the overall operations of the City.

- **Types of services provided**
  The City is a full-service provider, servicing residents in terms of drinking water treatment and delivery, recreation center programs, a public library, policing and public safety, parks and open space, an animal shelter, and a golf course. The City oversees land-use, infrastructure, and permitting for development, facility maintenance (streets, waste disposal, etc.), and provides a forum for community discussion via open, bi-monthly Council meetings.

- **Inclusion of component unit**
  A component unit is a legally separate entity, for which the primary government's elected officials are financially accountable, or of which any exclusion would cause the primary government's financial statements to be incomplete. Thus, included in this report is Mesa Verde Country, a designated tourist-promotional organization, which is a component unit of the City. We do not foresee in the near future any new component units being added or acquired.

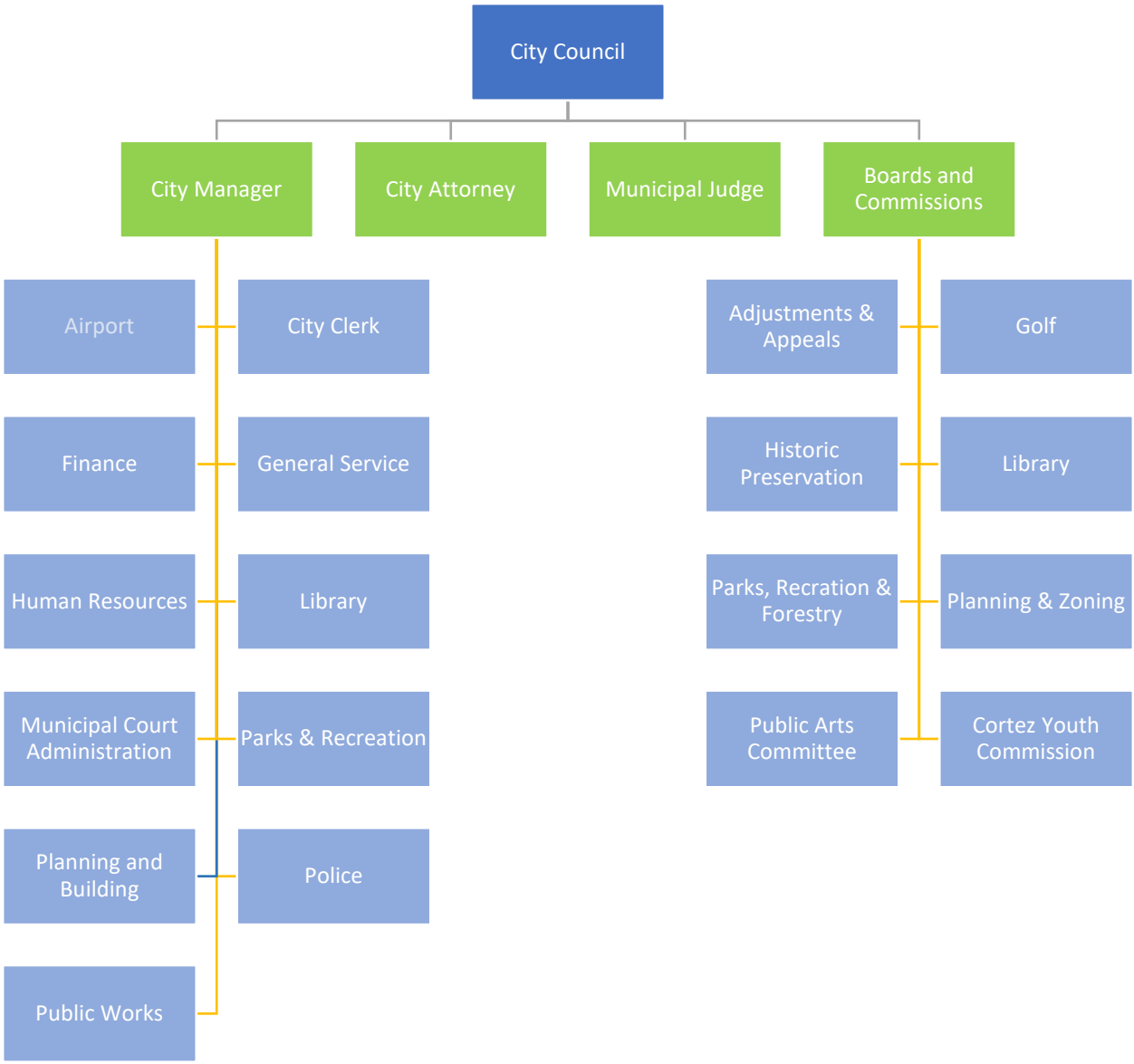
- **Summary of budget process**
  The annual budget serves as the foundation for the government's financial planning and control. All funds are appropriated on an annual basis. The budget process begins in August and formal review is completed in September. The annual budget starts in the finance department where departmental drafts are compiled. Each draft is digitally shared through ClearGov[1] to respective department directors. Directors may then share with other department heads portions of their budget to strategize and align. Directors then submit their revised draft budgets, and the Finance Director and City Manager meet with each director to discuss any changes or known upcoming projects or additional expense. Once this review is complete, the budget is presented in its entirety to City Council, public comment is invited, and the budget is ratified by Ordinance. Public input opportunities occur throughout the entire process. The legal level of budgetary control remains with each department.

- **Major Initiatives:**
  Two major, recent objectives of management have been to reduce debt and increase ROI (Return on Investments). With the full support of the City Council, the City was able to pay off all its external loans and become debt-free in 2023. Since 2022, ROI increased by 185%.
  The City is performing well financially. The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $70.9 million (net position). Additional financial highlights may be found in the MD&A (Management Discussion and Analysis) within the Financial report.

- **Acknowledgements:**
  The preparation and completion of this report could not have been accomplished without the skill and dedication of Finance Department employees. I also express my appreciation to Andrew Wendt and Atlas CPA's & Advisors, PLLC—the firm that serves as the City's external auditors. Credit also goes to our City Council for their support and for maintaining the highest standards of professionalism in the management of the City's finances.
  Respectfully,

Kelly Koskie, Finance Director

[1] ClearGov is digitally accessible to public viewing, enabling citizens to examine financial detail and prioritization, long-term planning, expense ratios, policies, and initiatives occurring within current and previous fiscal years.


City Council
City Manager
City Attorney
Municipal Judge
Boards and Commissions
Airport
City Clerk
Finance
General Service
Human Resources
Library
Municipal Court Administration
Parks & Recreation
Planning and Building
Police
Public Works
Adjustments & Appeals
Golf
Historic Preservation
Library
Parks, Recration & Forestry
Planning & Zoning
Public Arts Committee
Cortez Youth Commission

CITY OF CORTEZ, COLORADO
LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2023

CITY COUNCIL

Rachel Medina, Mayor
Arlina Yazzie, Mayor Pro-tem
Lydia DeHaven
David Rainey
Dennis Spruell
Robert Dobry
Matthew Keefauver

City Staff

Drew Sanders – City Manager
Vernon Knuckles – Chief of Police
Patrick Coleman – City Attorney
Linda Smith – City Clerk
Kelly Koskie – Director of Finance
Creighton Wright – Director of Parks and Recreation
Rachel Marchbanks – Director of Planning and Community Economic Development
Brian Peckins – Director of Public Works

CITY OF CORTEZ, COLORADO
MANAGEMENT'S DISCUSSION & ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023
(UNAUDITED)

The discussion and analysis of the City of Cortez, Colorado's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2023. The management of the City encourages readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the City's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $70.9 million (net position).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $13.8 million.
- The City had $25.6 million in expenses related to government activities.

Overview of the Financial Statements

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements

This report also contains other 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 City's finances, in a manner similar to a private-sector business, and are reported using the accrual basis of accounting and economic resources measurement focus.

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

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be divided into two types of activities: governmental and business-type. Governmental activities present the functions of the City that are principally supported by taxes and intergovernmental revenues. Business-type activities present the function that are intended to recover all or a significant portion of their costs through user fees and charges. The City's governmental activities include functions like general government, public safety, public works, library, and recreation. The City's business-type activities include airport, recreation, water, solid waste collection, police dispatch, hydro plant, city community network.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds..

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources; as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements.

Because the focus of 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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 2 major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Street improvement fund both of which are considered to be major funds.

The City also maintains 4 non-major Special Revenue Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for Lodger's Tax Fund, Conservation Trust Fund, Equipment Fund, Emergency Reserve TABOR Fund, and Grant Fund.

Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report. The City adopts an annual budget for each of the major funds listed above. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with this budget.

Proprietary funds

The City maintains two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City utilizes enterprise funds to account for its airport, recreation center, water and solid waste utility services. The City also uses non-major Enterprise Funds to account for the hydro plant, community network and police dispatch services.

Notes to basic financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's contributions and net pension asset of the Cortez Old Hire Police Pension Fund; as well as, budget to actual comparisons of the funds. Supplementary schedules include combining and individual fund schedules of all non-major funds.

Government-Wide Financial Analysis

Table 1
Condensed Statement of Net Position
(in millions of dollars)

	Governmental Activities			*Business-Type Activities*			*Total*		
	2023	*2022*	*Change*	*2023*	*2022*	*Change*	*2023*	*2022*	*Change*
Assets									
Current and other assets	$ 18.2	$ 15.5	17.4%	$ 18.0	$ 14.6	23.3%	$ 36.2	$ 30.1	20.3%
Capital assets and SBITAs, net	18.3	18.3	0.0%	25.3	25.3	0.0%	43.6	43.6	0.0%
Total assets	36.5	33.8	8.0%	43.3	39.9	8.5%	79.8	73.7	8.3%
Deferred outflows of resources	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Liabilities									
Long-term liabilities	1.0	0.6	66.7%	1.2	4.0	-70.0%	2.2	4.6	-52.2%
Other liabilities	5.9	0.6	883.3%	0.4	0.4	0.0%	6.3	1.0	530.0%
Total liabilities	6.9	1.2	475.0%	1.6	4.4	-63.6%	8.5	5.6	51.8%
Deferred inflows of resources	0.1	0.1	0.0%	0.3	0.0	100.0%	0.4	0.1	300.0%
Net position									
Net investment in capital assets	17.8	18.3	-2.7%	24.3	21.6	12.5%	42.1	39.9	5.5%
Restricted	0.4	0.4	0.0%	0.0	0.6	-100.0%	0.4	1.0	-60.0%
Unrestricted	11.3	13.8	-18.1%	17.1	13.3	28.6%	28.4	27.1	4.8%
Total net position	$ 29.5	$ 32.5	-9.2%	$ 41.4	$ 35.5	16.6%	$ 70.9	$ 68.0	4.3%

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net results of activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for capital – which will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – which will (a) reduce current assets and increase capital assets: and, (b) increase capital assets and long-term debt, which will not change the net investment in capital assets.

Spending of non-borrowed current assets on new capital – which will (a) reduce current assets and increase capital assets; and, (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal payment on debt – which will: (a) reduce current assets and reduce long-term debt; and, (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of capital assets through depreciation – which will reduce capital assets and net investment in capital assets.

Current Year Impacts

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's total assets equal $70.9 million. The City's total liabilities and deferred inflows of resources equal $8.9 million.

By far the largest portion of the City's net position is its investment in capital assets. This consists of land, buildings, machinery, equipment and infrastructure less depreciation and any related outstanding debt used to acquire these assets. The City uses these capital assets to provide services to the residents; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A very small portion of the City's net position (less than 0.5%) represents resources that are subject to external restrictions on how they may be used. All net position categories show positive balances at year end, except for unrestricted net position for governmental activities.

Table 2
Condensed Statement of Activities
(in millions of dollars)

	Governmental Activities			*Business-Type Activities*			*Total*		
	2023	*2022*	*Change*	*2023*	*2022*	*Change*	*2023*	*2022*	*Change*
Revenues									
Program Revenues									
Charges for services	$ 3.8	$ 3.7	2.7%	$ 7.3	$ 7.1	2.8%	$ 11.1	$ 10.8	2.8%
Operating grants and contributions	0.3	3.2	-90.6%	0.0	0.0	0.0%	0.3	3.2	-90.6%
Capital grants and contributions	0.0	0.0	0.0%	0.3	0.3	0.0%	0.3	0.3	0.0%
General Revenues									
Property and sales taxes	13.7	12.9	6.2%	2.0	2.0	0.0%	15.7	14.9	5.4%
Intergovernmental	2.6	0.7	271.4%	0.0	0.0	0.0%	2.6	0.7	271.4%
Interfund charges	1.6	0.5	220.0%	4.1	0.0	100.0%	5.7	0.5	1040.0%
Investment income	0.2	0.0	100.0%	0.0	0.0	0.0%	0.2	0.0	100.0%
Miscellaneous revenue	0.3	0.1	200.0%	2.0	0.0	100.0%	2.3	0.1	2200.0%
Total revenues	22.5	21.1	6.6%	15.7	9.4	67.0%	38.2	30.5	25.2%
Expenses									
General government	7.6	3.5	117.1%	0.0	0.0	0.0%	7.6	3.5	117.1%
General services	6.0	5.0	20.0%	0.0	0.0	0.0%	6.0	5.0	20.0%
Public safety	4.7	4.6	2.2%	0.0	0.0	0.0%	4.7	4.6	2.2%
Public works	3.7	4.2	-11.9%	0.0	0.0	0.0%	3.7	4.2	-11.9%
Parks and recreation	2.8	2.5	12.0%	0.0	0.0	0.0%	2.8	2.5	12.0%
Capital projects	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Internal charges	0.7	0.7	0.0%	0.0	0.0	0.0%	0.7	0.7	0.0%
Airport	0.0	0.0	0.0%	1.0	0.8	25.0%	1.0	0.8	25.0%
Recreation	0.0	0.0	0.0%	1.6	1.3	23.1%	1.6	1.3	23.1%
Water	0.0	0.0	0.0%	3.7	3.0	23.3%	3.7	3.0	23.3%
Solid waste collection	0.0	0.0	0.0%	1.6	1.4	14.3%	1.6	1.4	14.3%
Police dispatch	0.0	0.0	0.0%	0.9	0.8	12.5%	0.9	0.8	12.5%
Hydro plant	0.0	0.0	0.0%	0.1	0.1	0.0%	0.1	0.1	0.0%
City community network	0.0	0.0	0.0%	0.9	0.3	200.0%	0.9	0.3	200.0%
Total expenses	25.5	20.5	24.4%	9.8	7.7	27.3%	35.3	28.2	25.2%
Transfers - net	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Special item - bad debt allowance	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Change in net position	-3.0	0.6	-600.0%	5.9	1.7	-247.1%	2.9	2.3	-26.1%
Net position, beginning	32.5	31.9	1.9%	35.5	33.8	5.0%	68.0	65.7	3.5%
Net position, ending	$ 29.5	$ 32.5	-9.2%	$ 41.4	$ 35.5	16.6%	$ 70.9	$ 68.0	4.3%

Table 2 highlights the City's revenues and expenses for the fiscal years ended December 31, 2023 and 2022. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method.

Normal Impacts

There are eight basic (normal) impacts that will affect the comparability of the revenues and expenses on the Statement of Activities summary presentation.

Revenues

Economic condition – which can reflect a declining, stable or growing economic environment, and has substantial impact on state sales, replacement and hotel/motel tax revenue; as well as, public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/decrease in City approved rates – while certain tax rates are set by statute, the City has significant authority to impose and periodically increase/decrease rates (water, home rule sales tax, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring grants are less predictable and often distorting in their impact on year to year comparisons.

Market impacts on investment income – the City's investments may be affected by market conditions causing investment income to increase/decrease.

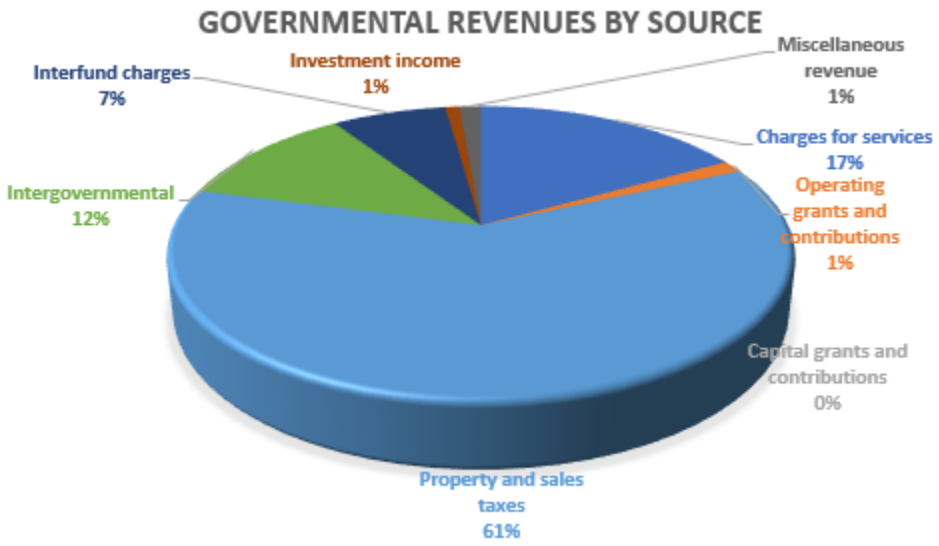
Expenses

Introduction of new programs – within the functional expense categories (general government, public safety, public works, and community development), individual programs may be added or deleted to meet changing community needs.

Change in authorized personnel – changes in service demand may cause the City to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the City.

Salary increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

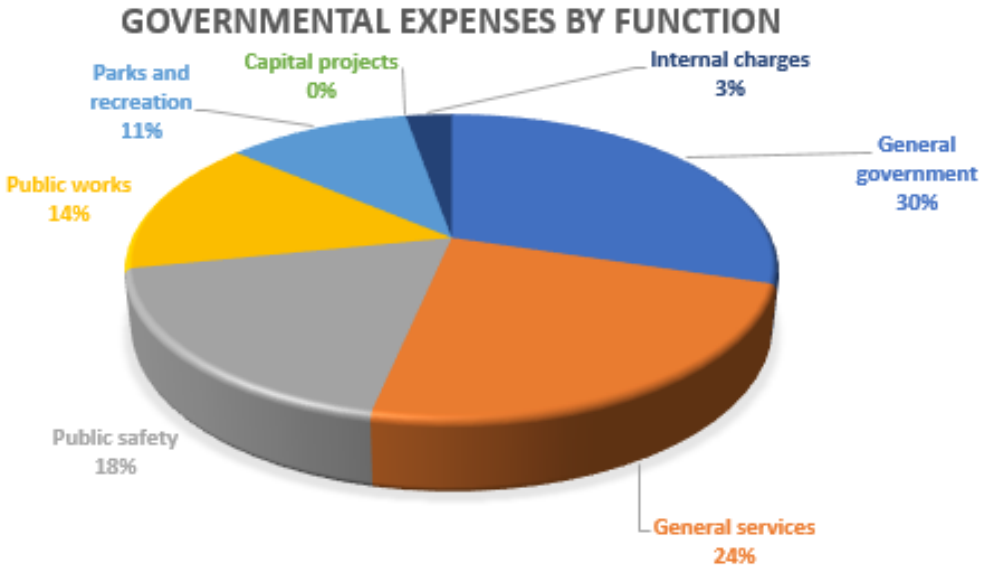
Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuel, and parts. Some functions may experience unusual commodity specific increases.



Revenues

The City benefits from a diversified revenue base including property taxes, sales taxes, and franchise taxes. The largest category of revenue for the City is property and sales taxes.

Total governmental activities' revenue for the current year was $22,678,805.



Expenses

Total government activities' expenditures for the current year was $25,618,073.

Capital Assets and Debt Administration

Capital Assets

By the end of 2023, the City had compiled a total investment of $87.8 million ($43.6 million net of accumulated depreciation) in a broad range of capital assets including land, water rights, buildings and improvements, infrastructure, and machinery and equipment. Total depreciation expense for the year was $2.5 million. More detailed information about capital assets can be found in Note 4 of the basic financial statements.

Table 3
Capital Assets (net of depreciation)
(in millions of dollars)

	Governmental Activities			*Business-Type Activities*			*Total*		
	2023	*2022*	*Change*	*2023*	*2022*	*Change*	*2023*	*2022*	*Change*
Land	$ 1.7	$ 1.7	0.0%	$ 0.7	$ 0.7	0.0%	$ 2.4	$ 2.4	0.0%
Water rights	0.0	0.0	0.0%	4.2	4.2	0.0%	4.2	4.2	0.0%
Buildings	8.7	8.8	-1.1%	6.4	6.9	-7.2%	15.1	15.7	-3.8%
Machinery and equipment	1.7	1.4	21.4%	1.7	0.6	183.3%	3.4	2.0	70.0%
Other improvements	0.6	0.5	20.0%	0.3	0.4	-25.0%	0.9	0.9	0.0%
Land improvements	0.1	0.1	0.0%	0.0	0.0	0.0%	0.1	0.1	0.0%
Infrastructure	5.3	5.7	-7.0%	12.0	12.5	-4.0%	17.3	18.2	-4.9%
Lease asset - equipment	0.0	0.1	-100.0%	0.0	0.0	0.0%	0.0	0.1	-100.0%
SBITA asset	0.2	9.0	100.0%	0.0	0.0	0.0%	0.2	9.0	100.0%
Internal service equipment	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Total	$ 18.3	$ 27.3	-33.0%	$ 25.3	$ 25.3	0.0%	$ 43.6	$ 52.6	-17.1%

Debt Administration

The table below summaries the City's bonded and similar indebtedness. As of December 31, 2023, the City had a total of $2.2 million of long-term debt outstanding. Of this amount, $1.4 million was in the form of refuse and police vehicle finance leases and subscription liabilities. More detailed information about debt administration can be found in Note 6 of the basic financial statements.

Table 4
Long-Term Debt
(in millions of dollars)

	Governmental Activities			*Business-Type Activities*			*Total*		
	2023	*2022*	*Change*	*2023*	*2022*	*Change*	*2023*	*2022*	*Change*
1986 Dolores Water Conservancy Dist	$0.0	$0.0	0.0%	$0.0	$2.6	-100.0%	$0.0	$2.6	-100.0%
2005 DOLA Water Loan	0.0	0.0	0.0%	0.0	0.1	-100.0%	0.0	0.1	-100.0%
2010 CWRPDA Water Loan	0.0	0.0	0.0%	0.0	0.2	-100.0%	0.0	0.2	-100.0%
2015 Colorado Water Cons Board	0.0	0.0	0.0%	0.0	0.4	-100.0%	0.0	0.4	-100.0%
2009 CWRPDA Hydro Loan	0.0	0.0	0.0%	0.0	0.5	-100.0%	0.0	0.5	-100.0%
Lease payable	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Finance lease payable	0.2	0.0	100.0%	1.0	0.0	100.0%	1.2	0.0	100.0%
SBITA liability	0.2	0.0	100.0%	0.0	0.0	0.0%	0.2	0.0	100.0%
Compensated Absences	0.6	0.6	0.0%	0.2	0.2	0.0%	0.8	0.8	0.0%
Total	$1.0	$0.6	66.7%	$1.2	$4.0	-70.0%	$2.2	$4.6	-52.2%

Requests for Information

This financial report is designed to provide the City's citizens, taxpayers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Kelly Koskie, Finance Director
City of Cortez
123 Roger Smith Avenue
Cortez, CO, 81321
kkoskie@cortezco.gov

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Cortez
Cortez, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cortez, Colorado (the "City") as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2023, the City adopted new accounting guidance, GASB No. 96, Subscription-Based Information Technology Arrangements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 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, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

ATLAS CPAs & Advisors PLLC

Phoenix, Arizona
June 19, 2024

CITY OF CORTEZ, COLORADO
STATEMENT OF NET POSITION
December 31, 2023

	Primary Government		
	Governmental Activities	Business - Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 6,224,987	$ 20,428,909	$ 26,653,896
Investments, at fair value	4,841,417	1,656,330	6,497,747
Accounts receivable	1,405,624	831,281	2,236,905
Lease receivable	-	353,116	353,116
Intergovernmental receivable	78,284	-	78,284
Interfund balances	5,493,831	(5,493,831)	-
Prepaid expenses	19,937	623	20,560
Inventories	97,953	246,401	344,354
Capital assets, non-depreciable	1,674,905	4,921,300	6,596,205
Capital assets, depreciable	16,421,387	20,447,753	36,869,140
Subscription-based IT arrangements asset	225,577	-	225,577
TOTAL ASSETS	$ 36,483,902	$ 43,391,882	$ 79,875,784
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Accounts payable	$ 5,512,269	$ 82,721	$ 5,594,990
Accrued liabilities	220,940	51,640	272,580
Accrued interest payable	7,354	-	7,354
Unearned revenue	-	215,175	215,175
Deposits	16,780	35,264	52,044
Noncurrent liabilities			
Due within one year	207,918	190,753	398,671
Due in more than one year	889,822	1,049,821	1,939,643
TOTAL LIABILITIES	$ 6,855,083	$ 1,625,374	$ 8,480,457
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to property taxes	$ 99,742	$ -	$ 99,742
Deferred inflows related to leases	-	353,116	353,116
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 99,742	$ 353,116	$ 452,858
NET POSITION			
Net investment in capital assets	$ 17,810,863	$ 24,305,083	$ 42,115,946
Restricted for special revenues	366,789	-	366,789
Unrestricted	11,351,425	17,108,309	28,459,734
TOTAL NET POSITION	$ 29,529,077	$ 41,413,392	$ 70,942,469

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION PRIMARY GOVERNMENT		
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	$ 7,563,057	$ -	$ 89,780	$ -	$ (7,473,277)	$ -	$ (7,473,277)
General services	6,060,301	2,785,253	-	-	(3,275,048)	-	(3,275,048)
Public safety	4,734,236	56,675	39,603	-	(4,637,958)	-	(4,637,958)
Public works	3,675,922	273,607	-	-	(3,402,315)	-	(3,402,315)
Parks and recreation	2,824,626	734,311	190,210	-	(1,900,105)	-	(1,900,105)
Internal charges	759,931	-	-	-	(759,931)	-	(759,931)
TOTAL GOVERNMENTAL ACTIVITIES	25,618,073	3,849,846	319,593	-	(21,448,634)	-	(21,448,634)
Business - Type Activities							
Airport	969,042	179,159	59,718	325,970	-	(404,195)	(404,195)
Recreation	1,550,862	444,873	-	-	-	(1,105,989)	(1,105,989)
Water	3,701,941	3,859,682	-	-	-	157,741	157,741
Solid waste collection	1,627,267	1,911,995	-	-	-	284,728	284,728
Police dispatch	936,739	544,222	-	-	-	(392,517)	(392,517)
Hydro plant	119,985	-	-	-	-	(119,985)	(119,985)
City community network	936,480	313,150	-	-	-	(623,330)	(623,330)
TOTAL BUSINESS-TYPE ACTIVITIES	9,842,316	7,253,081	59,718	325,970	-	(2,203,547)	(2,203,547)
TOTAL PRIMARY GOVERNMENT	$ 35,460,389	$ 11,102,927	$ 379,311	$ 325,970	$ (21,448,634)	$ (2,203,547)	$ (23,652,181)
GENERAL REVENUES							
Property and sales taxes					$ 13,685,617	$ 1,951,024	$ 15,636,641
Franchise taxes					748,003	-	748,003
Other intergovernmental					1,887,459	-	1,887,459
Interfund charges					1,631,404	4,138,461	5,769,865
Investment income					220,562	79,184	299,746
Miscellaneous revenue					336,321	1,946,400	2,282,721
TOTAL GENERAL REVENUES					18,509,366	8,115,069	26,624,435
CHANGE IN NET POSITION					(2,939,268)	5,911,522	2,972,254
NET POSITION - Beginning of Year					32,468,345	35,501,870	67,970,215
NET POSITION - End of Year					$ 29,529,077	$ 41,413,392	$ 70,942,469

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2023

	General Fund	Street Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ -	$ 833,493	$ 2,326,692	$ 3,160,185
Investments, at fair value	3,327,541	788,835	725,041	4,841,417
Inventories	51,775	-	-	51,775
Prepaid expenses	-	-	19,937	19,937
Accounts receivable	1,196,594	149,928	56,352	1,402,874
Interfund receivable	5,493,831	-	-	5,493,831
Intergovernmental receivable	49,822	-	28,462	78,284
TOTAL ASSETS	$ 10,119,563	$ 1,772,256	$ 3,156,484	$ 15,048,303
LIABILITIES				
Accounts payable	$ 810,842	$ 119,203	$ 9,732	$ 939,777
Accrued liabilities	167,408	14,427	-	181,835
Unearned revenue	-	-	21,942	21,942
Deposits	16,780	-	-	16,780
TOTAL LIABILITIES	995,030	133,630	31,674	1,160,334
DEFERRED INFLOWS OF RESOURCES				
Deferred property taxes	-	99,742	-	99,742
FUND BALANCE				
Nonspendable	51,775	-	19,937	71,712
Restricted	-	-	366,789	366,789
Committed	-	2,991,854	-	2,991,854
Unassigned	9,072,758	(1,452,970)	2,738,084	10,357,872
TOTAL FUND BALANCE	9,124,533	1,538,884	3,124,810	13,788,227
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	$ 10,119,563	$ 1,772,256	$ 3,156,484	$ 15,048,303

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
RECONCILIATION OF THE STATEMENT OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2023

Total Fund Balances - Governmental Funds	$	13,788,227
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		18,083,527
Internal service funds are not reported in the statement of net position as governmental activities.		(1,517,885)
Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds:		
Lease payable		(45,292)
Finance lease payable		(245,683)
Compensated absences		(533,817)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	29,529,077

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	General Fund	Street Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property and sales taxes	$ 11,197,800	$ 1,787,001	$ 700,816	$ 13,685,617
Franchise taxes	748,003	-	-	748,003
Licenses, permits and fees	273,607	-	-	273,607
Intergovernmental	1,629,276	-	448,393	2,077,669
Charges for services	700,271	-	-	700,271
Fines and forfeitures	56,675	-	-	56,675
Donations	34,040	-	-	34,040
Investment income	170,616	19,200	30,746	220,562
Grant revenue	129,383	-	-	129,383
Interfund charges	1,093,359	-	-	1,093,359
Miscellaneous	303,483	11,787	21,051	336,321
TOTAL REVENUES	16,336,513	1,817,988	1,201,006	19,355,507
EXPENDITURES				
General government	6,459,317	-	642,506	7,101,823
General services	1,698,107	-	27,949	1,726,056
Public safety	4,389,366	-	-	4,389,366
Public works	1,291,140	2,165,610	-	3,456,750
Parks and recreation	2,623,539	-	-	2,623,539
Capital projects	215,473	-	685,359	900,832
Internal charges	759,931	-	-	759,931
Debt service				
Principal	-	-	83,882	83,882
Interest	-	-	11,433	11,433
TOTAL EXPENDITURES	17,436,873	2,165,610	1,451,129	21,053,612
EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	(1,100,360)	(347,622)	(250,123)	(1,698,105)
OTHER FINANCING SOURCES				
Finance lease proceeds	-	-	322,778	322,778
TOTAL FINANCING SOURCES	-	-	322,778	322,778
NET CHANGE IN FUND BALANCE	(1,100,360)	(347,622)	72,655	(1,375,327)
FUND BALANCE, Beginning	10,224,893	1,886,506	3,052,155	15,163,554
FUND BALANCE, Ending	$ 9,124,533	$ 1,538,884	$ 3,124,810	$ 13,788,227

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

Net change in fund balances - total governmental funds	$	(1,375,327)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activitieis.		
Capital outlay is reported as an expenditure in the fund financial statement but is capitalized in the government-wide financial statements		900,832
Depreciation and amortization is reported in the government-wide financial statements		(1,087,679)
Net book value of assets retired and adjustments		29,213
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		(59,111)
Net pension asset		(209,390)
Deferred outflows of resources related to pensions		(13,733)
Deferred inflows of resources related to pensions		10,716
Lease payable		(24,442)
Finance lease payable		(245,683)
The change in net position of the internal service fund reported with governmental activities		(864,664)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	(2,939,268)

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2023

	Business-Type Activities						Governmental Activities
	Airport Fund	Recreation Center Fund	Water Fund	Solid Waste Collection Fund	Nonmajor Business-Type Funds	Total	Internal Service Funds
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	$ 78,930	$ 5,731,626	$ 10,806,872	$ 1,676,334	$ 2,133,206	$ 20,426,968	$ 3,064,802
Petty cash	-	1,341	600	-	-	1,941	-
Investments, at fair value	-	904,485	509,394	242,451	-	1,656,330	-
Prepaids	623	-	-	-	-	623	-
Inventories	-	1,614	244,787	-	-	246,401	46,178
Accounts receivable	180	203,270	343,475	279,818	4,538	831,281	2,750
Lease receivable	-	-	-	-	353,116	353,116	-
TOTAL CURRENT ASSETS	79,733	6,842,336	11,905,128	2,198,603	2,490,860	23,516,660	3,113,730
CAPITAL ASSETS							
Capital assets, non-depreciable	718,874	-	4,202,426	-	-	4,921,300	-
Capital assets, depreciable	6,824,627	5,481,487	6,009,944	1,311,322	820,373	20,447,753	12,765
Subscription-based IT arrangements assets	-	-	-	-	-	-	225,577
NET CAPITAL ASSETS	7,543,501	5,481,487	10,212,370	1,311,322	820,373	25,369,053	238,342
TOTAL ASSETS	$ 7,623,234	$ 12,323,823	$ 22,117,498	$ 3,509,925	$ 3,311,233	$ 48,885,713	$ 3,352,072
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION							
CURRENT LIABILITIES							
Accounts payable	$ 1,038	$ 18,236	$ 35,465	$ 27,204	$ 778	$ 82,721	$ 4,572,492
Deposits	-	35,264	-	-	-	35,264	-
Accrued liabilities	3,570	16,489	15,571	8,061	7,949	51,640	17,163
Accrued interest payable	-	-	-	-	-	-	7,354
Interfund payables	-	-	4,746,289	-	747,542	5,493,831	-
Unearned revenue	-	13,050	202,125	-	-	215,175	-
Subscription liability	-	-	-	-	-	-	118,334
Lease liability	-	-	-	190,753	-	190,753	-
TOTAL CURRENT LIABILITIES	4,608	83,039	4,999,450	226,018	756,269	6,069,384	4,715,343
LONG-TERM LIABILITIES							
Compensated absences	16,356	27,613	45,706	35,443	51,486	176,604	52,917
Subscription liability	-	-	-	-	-	-	101,697
Lease liability	-	-	-	873,217	-	873,217	-
TOTAL LONG-TERM LIABILITIES	16,356	27,613	45,706	908,660	51,486	1,049,821	154,614
TOTAL LIABILITIES	20,964	110,652	5,045,156	1,134,678	807,755	7,119,205	4,869,957
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows related to leases	-	-	-	-	353,116	353,116	-
NET POSITION							
Net investment in capital assets	7,543,501	5,481,487	10,212,370	247,352	820,373	24,305,083	18,311
Unrestricted	58,769	6,731,684	6,859,972	2,127,895	1,329,989	17,108,309	(1,536,196)
TOTAL NET POSITION	$ 7,602,270	$ 12,213,171	$ 17,072,342	$ 2,375,247	$ 2,150,362	$ 41,413,392	$ (1,517,885)

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
ENTERPRISE FUNDS
For the Year Ended December 31, 2023

	Business-Type Activities						Governmental Activities
	Airport Fund	Recreation Center Fund	Water Fund	Solid Waste Collection Fund	Nonmajor Business-Type Funds	Total	Internal Service Funds
OPERATING REVENUES							
Charges for services	$ 179,159	$ 444,873	$ 3,859,682	$ 1,911,995	$ 857,372	$ 7,253,081	$ 2,785,253
Intergovernmental	59,718	-	-	-	-	59,718	-
Grant revenue	325,970	-	-	-	-	325,970	-
Interfund charges	-	-	3,292,653	-	845,808	4,138,461	538,045
Miscellaneous revenue	8,087	3,049	13,200	122,064	1,800,000	1,946,400	-
TOTAL OPERATING REVENUES	572,934	447,922	7,165,535	2,034,059	3,503,180	13,723,630	3,323,298
OPERATING EXPENSES							
Health claims	-	-	-	-	-	-	2,231,186
Shop	-	-	-	-	-	-	811,726
Building overhead	-	-	-	-	-	-	149,170
Technology	-	-	-	-	-	-	697,802
Telecommunications	-	-	-	-	-	-	176,335
Administration	-	-	54,003	9,807	2,961	66,771	-
Filtration and treatment	-	-	2,041,789	-	-	2,041,789	-
Transmission and distribution	-	-	670,580	-	-	670,580	-
Airport operations	687,249	-	-	-	-	687,249	-
Meter maintenance	-	-	7,319	-	-	7,319	-
Collection	-	-	-	1,103,203	-	1,103,203	-
Recycling	-	-	-	204,938	-	204,938	-
Fiber outside plant	-	-	-	-	69,166	69,166	-
Fiber administration	-	-	-	-	76,337	76,337	-
Fiber inside plant	-	-	-	-	59,845	59,845	-
Recreation center	-	1,300,185	-	-	-	1,300,185	-
Police support services	-	-	-	-	900,567	900,567	-
Depreciation	262,727	250,677	473,585	151,848	123,013	1,261,850	1,601
Amortization	-	-	-	-	-	-	112,788
Internal charges	19,066	-	235,002	157,471	728,256	1,139,795	-
TOTAL OPERATING EXPENSES	969,042	1,550,862	3,482,278	1,627,267	1,960,145	9,589,594	4,180,608
OPERATING INCOME (LOSS)	(396,108)	(1,102,940)	3,683,257	406,792	1,543,035	4,134,036	(857,310)
NON-OPERATING REVENUE (EXPENSE)							
Property and sales taxes	-	1,951,024	-	-	-	1,951,024	-
Investment income	-	34,332	38,833	6,019	-	79,184	-
Interest expense	-	-	(219,663)	-	(33,059)	(252,722)	(7,354)
TOTAL NON-OPERATING REVENUE (EXPENSE)	-	1,985,356	(180,830)	6,019	(33,059)	1,777,486	(7,354)
CHANGE IN NET POSITION	(396,108)	882,416	3,502,427	412,811	1,509,976	5,911,522	(864,664)
NET POSITION, Beginning	7,998,378	11,330,755	13,569,915	1,962,436	640,386	35,501,870	(653,221)
NET POSITION, Ending	$ 7,602,270	$ 12,213,171	$ 17,072,342	$ 2,375,247	$ 2,150,362	$ 41,413,392	$ (1,517,885)

The accompanying notes are an integral part of the basic financial statements.

CITY OF CORTEZ, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2023

	Business-Type Activities						Governmental Activities
	Airport Fund	Recreation Center Fund	Water Fund	Solid Waste Collection Fund	Nonmajor Business-Type Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers	$ 584,684	$ 438,621	$ 7,127,658	$ 1,984,213	$ 3,510,136	$ 13,645,312	$ 566,295
Cash flows from internal activities	-	-	-	-	-	-	2,757,003
Payments to suppliers	(467,716)	(462,479)	2,727,115	(648,614)	(921,163)	227,143	310,248
Payments for claims and loss adjustments	-	-	-	-	-	-	(2,004,078)
Payments to employees	(236,991)	(825,838)	(1,000,344)	(799,781)	(928,902)	(3,791,856)	(1,249,937)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(120,023)	(849,696)	8,854,429	535,818	1,660,071	10,080,599	379,531
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Tax revenue	-	1,951,024	-	-	-	1,951,024	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	-	1,951,024	-	-	-	1,951,024	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Purchases of property and equipment	(79,033)	-	(79,062)	(1,236,574)	-	(1,394,669)	(5,415)
Subscription-based IT arrangement assets	-	-	-	-	-	-	(338,365)
Debt proceeds	-	-	-	1,063,970		1,063,970	338,365
Debt payments	-	-	(3,266,683)	-	(508,426)	(3,775,109)	(118,334)
Interest paid	-	-	(219,663)	-	(44,954)	(264,617)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(79,033)	-	(3,565,408)	(172,604)	(553,380)	(4,370,425)	(123,749)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Investment income	-	34,332	38,833	6,019	-	79,184	-
Net cash invested	-	(21,777)	40,235	(90,264)	-	(71,806)	-
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	-	12,555	79,068	(84,245)	-	7,378	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(199,056)	1,113,883	5,368,089	278,969	1,106,691	7,668,576	255,782
CASH AND CASH EQUIVALENTS, Beginning of Year	277,986	4,619,084	5,439,383	1,397,365	1,026,515	12,760,333	2,809,020
CASH AND CASH EQUIVALENTS, End of Year	$ 78,930	$ 5,732,967	$ 10,807,472	$ 1,676,334	$ 2,133,206	$ 20,428,909	$ 3,064,802
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES							
Operating income (loss)	$ (396,108)	$ (1,102,940)	$ 3,683,257	$ 406,792	$ 1,543,035	$ 4,134,036	$ (857,310)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:							
Depreciation and Amortization	262,727	250,677	473,585	151,848	123,013	1,261,850	114,389
Changes in assets and liabilities:							
(Increase) decrease in:							
Accounts receivable	11,750	(9,301)	(37,877)	(49,846)	6,956	(78,318)	(2,750)
Lease receivable	-	-	-	-	(353,116)	(353,116)	-
Inventories	-	-	-	-	62,022	62,022	25,710
Increase (decrease) in:							
Accounts payable	895	11,147	4,768,358	27,204	(75,973)	4,731,631	1,101,975
Accrued liabilities	(1,080)	3,583	1,816	(180)	2,068	6,207	5,596
Deposits	-	1,500	-	-	-	1,500	-
Deferred inflows related to leases	-	-	-	-	353,116	353,116	-
Unearned revenue	-	4,017	(22,112)	-	-	(18,095)	-
Compensated absences	1,793	(8,379)	(12,598)	-	(1,050)	(20,234)	(8,079)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ (120,023)	$ (849,696)	$ 8,854,429	$ 535,818	$ 1,660,071	$ 10,080,599	$ 379,531

The accompanying notes are an integral part of the basic financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cortez(City) became a home rule City in 1957. At that time, the citizens adopted the Council-Manager form of government. The citizens elect seven council members, non-partisan, at large, for staggered terms. At all general municipal elections there are four elected council persons. The three candidates receiving the highest number of votes serve four-year terms and the candidate receiving the next highest number of votes serves a two-year term.

The Mayor and Mayor Pro-Tempore are selected by and from the City Council for a two-year term of office. Council serves as the legislative and policymaking body of the City. The City Manager, chief administrative officer for the City, is appointed by the Council and is responsible for the general administration of all City business. Accounting policies conform to generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board.

Coronavirus Disease (COVID-19)

On January 3, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the coronavirus pandemic. The City may be adversely affected through governmental and business closures resulting in a reduction of labor demand or supplies shortages. The City will continue to monitor the situation surrounding COVID-19 and evaluate the impact it will have on future operations.

Reporting Entity

In accordance with Governmental Accounting Standards, the City has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The City is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if City officials appoint a voting majority of the organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the City. The City may also be financially accountable for governmental organizations that are fiscally dependent upon it. Based on the application of these criteria, the City is not included any other organization, but does include the Mesa Verde Country Visitor Information Bureau within its reporting entity as a blended component unit reported in the City's Special Revenue Fund. The information regarding the Mesa Verde Country Visitor Information Bureau's financial statements can be obtained by writing to Mesa Verde Country Visitor Information Bureau at 928 East Main, Cortez, Colorado 81321.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The significant accounting policies established in GAAP and used by the City are described below.

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the City as a whole. The reporting information includes all of the non-fiduciary activities of the City. These statements are to distinguish between the governmental and business-type activities of the City. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category, governmental, and proprietary are presented, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds would be aggregated and reported as non- major funds.

Governmental Funds

All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

The City reports the following major governmental funds:

- General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds – Special Revenues Funds are used to account for the collection and disbursement of specific revenues sources. The City's major Special Revenue Fund is the:
    - Street Improvement Fund – This fund accounts for the City's sales tax collections (1/2 cent) that are to be used to improve the City's streets.

The City also reports the following non-major Special Revenue Funds:

- Lodger's Tax Fund – This fund accounts for the use of lodger's tax revenues to promote tourism and commerce in the area.
- Conservation Trust Fund – This fund accounts for State of Colorado lottery fund to be used for parks and recreation maintenance and capital investment.
- Equipment Fund – This fund accounts for the City's sales tax collections that are to be used to update and improve the City's equipment.
- Emergency Reserve- TABOR Fund – These funds were set aside by the City to fund the required TABOR emergency reserve requirement as described in Note 12.
- Grants Fund – This fund accounts for grant revenues and pass-through grant expenditures.

Mesa Verde Country® Visitor Information Bureau – This is the blended component unit described above.

Proprietary Funds

Enterprise Funds – Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds are as follows:

- Airport Fund – This fund accounts for the operations of the City's airport.
- Recreation Center Fund – This fund accounts for the construction, repayment of bonds and operations of the recreation center.
- Water Fund – This fund accounts for the operation and maintenance of the City's water treatment and distribution system.
- Solid Waste Collection Fund – This fund accounts for the collection and disposal of the City's solid waste refuse. The City also reports the following non-major Enterprise Funds:
- Hydro Plant Fund – This fund accounts for the operations of the City's hydro electric power plant.
- City Community Network Fund – This fund accounts for the operations and maintenance of the City's fiber network.
- Police Dispatch Fund – This fund accounts for the City provided county-wide dispatch services.

The City reports the following Internal Service Funds:

- Shop Fund - This fund accounts for the operation of the maintenance shop which provides repair and maintenance to the City's equipment and vehicles.
- Technology Fund – This fund accounts for the City-wide computer information system operations.
- Self-Insured Health Insurance Fund – This fund accounts for the self-insured portion of the City's health insurance plan.

Measurement of Focus and Basis of Accounting

Government-Wide and Proprietary Fund Financial Statements

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available. These revenues could include certain property, sales and other tax collections, federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. The City generally considers funds received within 60 days subsequent to the end of the fiscal year to be measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Cash and Cash Equivalents

Cash and cash equivalents includes short term, highly liquid investments with original maturities of three months or less. For purposes of proprietary fund statement of cash flows presentation, cash and cash equivalents totaled $20,428,909 at December 31, 2023.

Investments

Investments are stated at fair value. Cash deposits are reported at carrying value which reasonably estimates fair value.

Property Taxes Receivable

Property taxes for the City are levied by the City Council and certified for collection to Montezuma County by December 15 of each year. These taxes become due January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection. Property taxes levied in the current year for collection in the subsequent year by the General Fund are included in receivables and deferred inflows at year end. These taxes are classified as deferred inflows since they were levied for and are not available to the City until the subsequent year.

Receivables

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

Bad debts under the Proprietary Fund (Enterprise Funds) are accounted for by the allowance reserve method in recognizing bad debt expense. This method better matches the cost of operating the fund with revenues of the fund and is consistent with generally accepted accounting principles.

Prepaids

Prepaid balances are for insurance payments made by the City in the current year to provide coverage occurring in the subsequent fiscal year.

Inventories

Inventory is valued at cost using the first-in, first-out method (FIFO).

Interfund Receivables and Payables

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivables and payables are eliminated in the government-wide statement of net position.

Restricted Assets

Certain cash, cash equivalents and investments are restricted by various legal and contractual obligations.

Enterprise Funds are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only for water, sewer, and recreation renovations. The General Fund is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only for specific purposes.

Capital Assets

Property and equipment acquisitions made by the governmental funds are accounted for as expenditures of the fund, and are then capitalized in the government-wide financial statements. All purchased property and equipment are valued at cost, while donated assets are valued at their estimated fair market value as of the date received as a donation. The City capitalizes assets with a useful life in excess of five years and a cost of $5,000 or greater. Public domain ("infrastructure") capital assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are capitalized as governmental activities in the government-wide financial statements.

Depreciation is provided on all capital assets shown in the government-wide presentation and is computed using the straight- line method over the following estimated useful lives of the assets:

Building and improvements	5 – 100 years
Infrastructure	15 – 25 years
Collection and distribution systems	30 – 50 years
Machinery and equipment	5 – 15 years

The City capitalizes interest costs during construction; however, none of the interest paid met the capitalization requirements during 2023.

Compensated Absences

Employees of the City are allowed to accumulate unused vacation time up to 240 hours or 384 hours based on employment position and unused sick time up to 480 hours. Regular, full-time employees hired on, or before February 14, 1990, after completing twenty years of service, will be compensated for sick leave earned at a maximum of 480 hours upon separation.

Accumulated unpaid vacation pay is accrued when earned. In the government-wide presentation, accumulated compensated absences not expected to be paid within current available resources are reported as long-term liabilities. Governmental activities compensated absences have normally been liquidated by the General Fund.

Deferred Outflows and Inflows of Resources

In addition to liabilities, the statement of net position also reports a separate section for deferred inflows of resources. This element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items, which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet.

The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred inflow is recorded at December 31. As the tax is collected in the succeeding year, the deferred inflow is recognized as revenue and the receivable is reduced. Also reported is deferred inflows related to leases.

Leases

Effective January 1, 2022, the City implemented GASB No. 87, Leases. As the lessee, the City determines whether a contract is, or contains a lease at inception. Lease agreements with a maximum lease term of twelve months or less, including options to extend, are accounted for as short-term leases. Lease agreements that transfer ownership of the underlying asset to the City at the end of the contract are recorded as a finance purchase with a related lease liability. Lease agreements not classified as a short-term lease, or a finance purchase are accounted for as an intangible right to use lease asset. An Intangible right to use lease asset represents the City 's right to use an underlying asset during the lease term and the lease liability represents the City 's obligation to make lease payments arising from the lease. Intangible right to use lease assets and lease liabilities are recognized at lease commencement based upon the estimate prevent value of unpaid lease payments over the lease term. The City uses its incremental borrowing rate based on information available at lease commencement in determining the present value of unpaid lease payments. As the lessor, the City applies the same criteria but recognizes a lease receivable and a deferred inflow of resources equal to the present value of the lease payments.

Subscription-Based IT Arrangements (SBITAs)

Effective January 1, 2023, the City implemented GASB No. 96, Subscription-Based Information Technology Arrangements (SBITA). The City determines whether a contract conveys control of the right to use another party's (SBITA vendor's) IT software, infrastructure, or data warehouse, alone or in combination with tangible capital assets (underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The SBITA liability is the present value of the annual payments using the City's incremental borrowing rate. The liability is amortized providing the principal and interest components of the payments over the SBITA term. The SBITA asset is measured as the SBITA liability plus any capitalized expenditures/expenses incurred in the initial implementation stage. The SBITA asset is depreciated (amortized) using a straight-line depreciation method over the term of the SBITA arrangement.

Net Position/Fund Balances

In the government-wide financial statements and proprietary fund types in the fund financial statements, net position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

Government-wide Statements: The government wide net position is classified into the following four categories:

- *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position* - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - All other net assets that do not meet the definition of "restricted" or 'net investment in capital assets", or non-spendable."

Fund Statements: The governmental fund balances are classified as nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

- The *nonspendable* fund balance classification includes amounts that cannot be spent because they are either not in spendable form, such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.
- The *restricted* fund balance category includes amounts that are restricted to specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.
- The unrestricted fund balance category is composed of committed, assigned, and unassigned resources.
- *Committed* fund balances are self-imposed limitations that the City's Council approved, which is the highest level of decision-making authority within the City. Only the Council can remove or change the constraints placed on committed fund balances.
- *Assigned* fund balances are resources constrained by the City's intent to be used for specific purposes, but that are neither restricted nor committed.
- The *unassigned* fund balance is the residual classification for the general fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Balance

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year-end.

As of December 31, 2023, the following individual funds had a deficit balance:

Fund		Amount
Shop Fund	$	(1,713,078)
Technology Fund	$	(2,759,035)

These fund deficits will be funded with future tax or grant revenues.

Excess Expenditures Over Budget

Fund		Budgeted Expenditures		Actual Expenditures		Excess Expenditures Over Budget
Equipment Fund	$	449,940	$	800,248	$	350,308
Airport Fund	$	677,171	$	969,042	$	291,871
Hydro Plant Fund	$	74,723	$	628,411	$	553,688
City Community Network Fund	$	410,144	$	936,480	$	526,336
Police Dispatch Fund	$	783,036	$	936,739	$	153,703
Technology Fund	$	877,824	$	994,279	$	116,455
Self-Insurance Fund	$	2,147,240	$	2,231,186	$	83,946

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded budget. The detail of those items can be found in the City's year-end budget to actual report.

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of cash and investments as of December 31, 2023:

	Carrying Value	Bank Balances	Associated Risks
Petty cash	$ 4,147	$ 4,147	N/A
Deposits	26,649,749	21,584,435	Custodial credit risk
Negotiable CD's	6,497,747	6,497,747	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
Total	$ 33,151,643	$ 28,086,329	

Reconciliation to financial statements:

Per statement of net position	
Cash and cash equivalents	$ 26,653,896
Investments	6,497,747
Total Deposits and Investments	$ 33,151,643

Deposits

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be returned to it. The City requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be protected by collateralization with securities eligible for City investment or any other high-quality, interest-bearing security. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

The City's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government 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 financial institution is allowed 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 the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2023, the carrying amount of the City's deposits with financial institutions, which includes demand deposits, savings accounts, and certificates of deposit was $26,649,749. As of December 31, 2023, none of the City's bank balances (certificates of deposit, checking, and savings accounts) were exposed to custodial credit risk.

Investments

At December 31, 2023, the City, had the following investments and maturities:

		Investment Maturities (In Years)		
Investment Type	Fair Value	Less than 1	1 - 5	Moody's Rating
Negotiable CD's	$ 6,497,747	$ 6,497,747	$ -	AA+
Total	$ 6,497,747	$ 6,497,747	$ -	

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of December 31, 2023, the City's investments were measure using the valuation inputs as follows:

	December 31, 2023			
Investment Type	Level 1	Level 2	Level 3	Total
Negotiable CD's	$ -	$ 6,497,747	$ -	$ 6,497,747
Total	$ -	$ 6,497,747	$ -	$ 6,497,747

Investment Type	Fair Value	Weighted Avg Maturity in Years	% of Portfolio
Negotiable CD's	$ 6,497,747	0.5	100
Total	$ 6,497,747	0.5	100

During the year ended December 31, 2023, the City invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7- like money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAm by the Standard and Poor's Corporation.

Interest rate risk: The City manages its interest rate risk by setting a maximum maturity date no more than five years from the date of purchase unless otherwise authorized by the City Council.

Custodial credit risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment.

Concentration of Credit Risk: The City places no limit on the amount that may be invested in any one issuer.

NOTE 4: CAPITAL ASSETS

A summary of changes in the governmental capital assets at December 31, 2023 is as follows:

Governmental Activities:	Balance 1/1/23	Additions	Deletions	Transfers	Balance 12/31/23
Not depreciated:					
Land	$ 1,674,905	$ -	$ -	$ -	$ 1,674,905
Development in process	25,650	-	(25,650)	-	-
Total not depreciated	1,700,555	-	(25,650)	-	1,674,905
Depreciable capital assets:					
Buildings	13,386,655	-	-	175,761	13,562,416
Machinery and equipment	6,929,514	726,788	(215,558)	(183,892)	7,256,852
Other improvements	5,351,645	199,694	-	-	5,551,339
Land improvements	602,358	-	-	-	602,358
Infrastructure	10,440,504	-	-	-	10,440,504
Internal service equipment	135,361	5,415	-	-	140,776
Lease asset – equipment	20,026	22,855	-	-	42,881
Subscription-based IT arrangements asset	-	338,365	-	-	338,365
Total depreciable assets:	36,866,063	1,293,117	(215,558)	(8,131)	37,935,491
Less Accumulated Depreciation for:					
Buildings	(4,653,794)	(267,455)	-	-	(4,921,249)
Machinery and equipment	(5,454,727)	(326,599)	211,413	-	(5,569,913)
Other improvements	(4,849,258)	(67,893)	-	-	(4,917,151)
Land improvements	(520,123)	(19,564)	-	-	(539,687)
Infrastructure	(4,701,989)	(397,739)	-	-	(5,099,728)
Internal service equipment	(126,410)	(1,601)	-	-	(128,011)
Subscription-based IT arrangements asset	-	(112,788)	-	-	(112,788)
Total accumulated depreciation:	(20,306,301)	(1,193,639)	211,413	-	(21,288,527)
Net Capital Assets	$ 18,260,317	$ 99,478	$ (29,795)	(8,131)	$ 18,321,869

Depreciation has been allocated for the statement of activities as follows:

General Government	$	184,514
General Services		144,212
Public Safety		344,870
Public Works		199,605
Parks and Recreation		206,049
Internal Service Fund		1,601
Subscription-based IT arrangement		112,788
Total	$	1,193,639

Business-Type Activities	Balance 1/1/23	Additions	Deletions	Transfers	Balance 12/31/23
Not depreciated:					
Land	$ 718,874	$ -	$ -	$ -	$ 718,874
Water rights	4,202,426	-	-	-	4,202,426
Total not depreciated	4,921,300	-	-	-	4,921,300
Depreciable capital assets:					
Buildings	15,444,133	34,199	-	-	15,478,332
Machinery and equipment	3,655,734	1,315,636	(324,995)	-	4,646,375
Other improvements	1,166,146	-	-	-	1,166,146
Infrastructure	21,951,857	-	(1,129)	-	21,950,728
Total depreciable assets:	42,217,870	1,349,835	(326,124)	-	43,241,581
Less Accumulated Depreciation for:					
Buildings	(8,590,377)	(465,998)	-	-	(9,056,375)
Machinery and equipment	(2,976,466)	(242,101)	293,206	-	(2,925,361)
Other improvements	(838,865)	(57,189)	-	-	(896,054)
Infrastructure	(9,419,476)	(496,562)	-	-	(9,916,038)
Total accumulated depreciation:	(21,825,184)	(1,261,850)	293,206	-	(22,793,828)
Net Capital Assets	$ 25,313,986	$ 87,985	$ (32,918)	$ -	$ 25,369,053

Depreciation expense was allocated to the funds as follows:

Airport	$	262,727
Police Dispatch		27,467
Recreation Center		250,677
Water		473,585
Hydro Plant		65,356
City Community Network		30,190
Solid Waste Collection		151,848
Total	$	1,261,850

NOTE 5: INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Interfund Balances		Amount
General Fund	$	5,493,831
Water Fund		(4,746,289)
Hydro Plant Fund		(747,542)
Total Internal Balances -- Government-Wide Statement of Net Position	$	-

Amounts between the General and Water Funds and also between the General and Hydro Plant Funds are due December 1, 2037 with annual payments of $339,021 and $53,396 respectively. Interest rate for both interfund loans is 6.0%.

NOTE 6: LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended December 31, 2023:

Governmental Activities	Balance 1/1/23	Additions	Deletions	Balance 12/31/23	Due Within One Year
Compensated Absences	$ 535,702	$ 586,734	$ (535,702)	$ 586,734	$ -
Lease payable	20,850	24,442	-	45,292	10,138
Police Vehicle Finance Lease	-	322,778	(77,095)	245,683	79,446
SBITA liability	-	338,365	(118,334)	220,031	118,334
Total	$ 556,552	$ 1,272,319	$ (731,131)	$ 1,097,740	$ 207,918

Governmental Activities finance lease payable at December 31, 2023, is comprised of the following:

	Amount
$322,778, Police Vehicles Finance Lease, due in annual installments of $86,940 through April 26, 2026; interest rate of 3.0%	$ 245,683
Total	$ 245,683

Debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 79,446	$ 7,493	$ 86,939
2025	81,870	5,070	86,940
2026	84,367	2,573	86,940
Total	$ 245,683	$ 15,136	$ 260,819

The following is a summary of other contractual liability transactions for business-type activities of the City for the year ended December 31, 2023:

Business-Type Activities	Balance 1/1/23	Additions	Deletions	Balance 12/31/23	Due Within One Year
1986 Dolores Water Cons Dist	$ 2,645,885	$ -	$ (2,645,885)	$ -	$ -
2005 DOLA Water Loan	64,737	-	(64,737)	-	-
2010 CWRPDA Water Loan	200,509	-	(200,509)	-	-
2015 Colorado Water Cons Board	355,552	-	(355,552)	-	-
2009 CWRPDA Hydro Loan	508,426	-	(508,426)	-	-
Refuse Truck Finance Lease	-	1,063,970	-	1,063,970	190,753
Compensated Absences	183,665	176,604	(183,665)	176,604	-
Total	$ 3,958,774	$ 1,240,574	$ (3,958,774)	$ 1,240,574	$ 190,753

Enterprise Fund finance lease payable at December 31, 2023, is comprised of the following:

	Amount
$1,063,970, Refuse Trucks Finance Lease, due in annual installments of $248,952 through June 5, 2028; interest rate of 5.4%	$ 1,063,970
Total	$ 1,063,970

Debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2024	$ 190,753	$ 58,199	$ 248,952
2025	201,187	47,765	248,952
2026	212,192	36,760	248,952
2027	223,798	25,153	248,951
2028	236,040	12,911	248,951
Total	$ 1,063,970	$ 180,788	$ 1,244,758

NOTE 7: LEASES

Pursuant to GASB No. 87, *Leases*, the City has recorded an intangible right to use leased asset which represents the City's right to use an underlying asset during the lease term. The Mesa Verde Country Visitor Information Bureau has obtained equipment and office space through Right to Use leased assets.

Annual installments range from $174 to $689. Discount rate is the respective lease start date and term ranging from 2.75% to 11.32%. The due dates range from 2026 to 2029.

At December 31, 2023, Right-to-Use leased assets consisted of the following:

Governmental Activities	
Right-to-Use Asset	$ 57,836
Less Accumulated Amortization	12,544
Right-to-Use Assets, net	$ 45,292

Pursuant to GASB No. 87, *Leases*, the City recorded a right to use lease liability in conjunction with the intangible right to use leased asset. The lease liability represents the City's obligation to make lease payments arising from the lease.

The City has only a single existing arrangement subject to the requirements of GASB 96. The agreement can be described as subscriptions for technology, specifically related to telephones, dispatch, and overall services. The District makes annual payments and the agreement is for a set term. The SBITA liability is the present value of these payments using the City's incremental borrowing rate. The liability is amortized providing the principal and interest components of the payments over the SBITA term. The SBITA Asset is measured as the SBITA Liability plus any capitalized expenditures/expenses incurred in the initial implementation stage. The SBITA asset is depreciated (amortized) using a straight-line depreciation method over the term of the SBITA arrangement.

	Term in Months	Total Asset Amount	Total Accumulated Amortization
Administrative Software Programs	36	$ 338,365	$ 112,788

Outflows of Resources

There were no other outflows of resources paid for the SBITA arrangement.

The SBITA liability and associated principal and interest requirements were as follows for the year ended December 31, 2023:

	Interest Rate	Beginning Balance	Term in Months	Ending Balance
Administrative Software Programs	5.0%	$ 338,365	36	$ 220,031

The future principal and interest SBITA arrangement payments as of December 31, 2023, were as follows:

Year Ended December 31	Principal	Interest	Total
2024	$ 118,334	$ 11,002	$ 129,336
2025	101,697	5,635	107,332
Total	$ 220,031	$ 16,637	$ 236,668

Commitments and Impairments

There were no additional commitments made before the commencement of the SBITA terms. There were also no impairments or modifications to be reported during the fiscal year.

NOTE 9: RETIREMENT

City Employee's Defined Contribution Plan

Effective June 25, 1996, the City of Cortez Pension Plan, a single-employer defined benefit plan, was converted to the City Money Purchase Plan, a single employer defined contribution plan. Assets of $169,344 were transferred to the new money accumulation pension plan and then to the respective employee accounts. The plan is administered by the ICMA Retirement Corporation. All permanent employees, including those covered by other City employee plans are required to participate in the plan. The plan provisions can be modified by the City Council. Contributions of 5% of gross salary are required from all participants and a matching contribution of 5% is made by the City to the plan. Contributions totaled $122,152, $163,441 and $201,549 in 2023, 2022 and 2021, respectively.

Police Office Death and Disability Plan

The police officer death and disability plan is administered through the Fire and Police Pension Association (FPPA). This plan is a non-contributory plan. All full-time, paid police officers of the City are members of the Statewide Death and Disability Plan. Title 31, Article 30 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available financial report that includes financial statements and required supplementary information for the Statewide Death and Disability Plan.

Police Pension Defined Contribution Plan

Effective January 1, 1986, the City Police Pension Plan, was adopted as a single-employer defined contribution plan, IRS Code Section 401(A). All certified police officer employees are required to participate in the Plan. This Plan is a defined contribution money purchase plan. The City has no future liability to this Plan. Contributions of 8% of gross salary are required from all participants and a matching contribution of 8% is made by the City to the Plan. The City's contribution amount for 2023, 2022, and 2021 was $317,280, $296,327, and $254,006,respectively.

Deferred Compensation Plan

Pursuant to Governmental Accounting Standards Board Statement No. 32: *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the City established a trust to hold the assets of its Deferred Compensation Plan, and modified the plan document to state that the plan is "held in trust for the exclusive benefit of participants and their beneficiaries." As such the plan's assets are no longer the property and rights of the City, and are not reflected in the financial statements of the City.

Cortez Old Hire Police Pension Plan

Plan Description: The Cortez Old Hire Pension Fund is a defined benefit, agent multiple-employer plan affiliated with the Colorado Fire and Police Pension Association (FPPA). Assets of the Plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple-employer defined benefit pension Plan administered by FPPA.

As of December 12, 2023, the City passed Resolution 22-2023, a resolution withdrawing the remaining assets and terminating the plan as required by the Idle Funds Statutes (Colorado Revised Statutes Title 31, Article 30.5, Section 209) due to there no longer being any participating members or beneficiaries under the plan. The pension schedules were kept within the 2023 financial statements audit report for information purposes only.

NOTE 10: RISK MANAGEMENT

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

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

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

The amounts of settlements have not exceeded insurance coverage, nor were there any significant changes in insurance coverage. The City carries commercial insurance for worker's compensation coverage.

NOTE 11: SELF INSURANCE

The City self-insures its medical insurance claims and is fully self-insured for health insurance compensation. A summary of the City's self-insured claims and liability is as follows:

IBNR Claim Liability	Beginning Balance	Claims Incurred	Claims Paid	Ending Balance
12/31/2021	$ 358,144	$ 2,254,551	$ 2,080,534	$ 532,161
12/31/2022	$ 532,161	$ 2,280,007	$ 2,431,559	$ 380,609
12/31/2023	$ 380,609	$ 2,231,186	$ 2,501,221	$ 110,574

NOTE 12: COMMITMENTS AND CONTINGENCIES

Tabor Amendment – Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. In 1996, voters within the City approved the collection, retention and expenditure of the full revenues generated by the City in 1995 and subsequent years, notwithstanding the provisions of the Amendment.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, the emergency reserve of $366,789 was recorded in the Emergency Reserve - Tabor Fund.

NOTE 13: NEW GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- GASB Statement No. 99, *Omnibus 2022*
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*
- GASB Statement No. 101, *Compensated Absences*

When they become effective, application of these standards may restate portions of these financial statements.

NOTE 14: SUBSEQUENT EVENTS

In preparing the financial statements, the City has evaluated transactions for potential disclosure through June 19, 2024, the date the financial statements were available to be issued. Management is not aware of any events that have occurred subsequent to December 31, 2023 that would require disclosure.

CITY OF CORTEZ, COLORADO
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION (ASSET) LIABILITY
CORTEZ OLD HIRE POLICE PENSION FUND
LAST 10 FISCAL YEARS

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Total Pension Liability								
Interest	$ -	$ 3,422	$ 3,771	$ 5,544	$ 5,915	$ 11,847	$ 12,242	$ 10,885
Differences between expected and actual experience	-	10,816	-	5,319	-	(78,204)	-	11,802
Changes of assumptions	-	-	-	10,245	-	-	-	15,275
Benefit payments	-	(11,695)	(11,355)	(11,024)	(10,703)	(14,721)	(20,177)	(19,589)
Other (Note 2)	(84,371)							
Net changes in total pension liability	(84,371)	2,543	(7,584)	10,084	(4,788)	(81,078)	(7,935)	18,373
Total Pension Liability - beginning	84,371	81,828	89,412	79,328	84,116	165,194	173,129	154,756
Total Pension Liability - ending (a)	$ -	$ 84,371	$ 81,828	$ 89,412	$ 79,328	$ 84,116	$ 165,194	$ 173,129

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Plan Fiduciary Net Position								
Net investment income	$ -	$ 1,522	$ 22,479	$ 32,815	$ 177	$ 37,909	$ 14,047	$ 5,235
Benefit payments, including refunds of employeee contributions	-	(11,695)	(11,355)	(11,024)	(10,703)	(14,721)	(20,177)	(19,589)
Administrative expense	-	(975)	(2,299)	(1,168)	(2,971)	(689)	(2,297)	(772)
Other (Note 2)	(293,761)	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(293,761)	(11,148)	8,825	20,623	(13,497)	22,499	(8,427)	(15,126)
Plan fiduciary net position - beginning	293,761	304,909	296,084	275,461	288,958	266,459	274,886	290,012
Plan fiduciary net position - ending (b)	$ -	$ 293,761	$ 304,909	$ 296,084	$ 275,461	$ 288,958	$ 266,459	$ 274,886
City's net pension (asset) - ending (a) - (b)	$ -	$ (209,390)	$ (223,081)	$ (206,672)	$ (196,133)	$ (204,842)	$ (101,265)	$ (101,757)

Note 1: There were no factors that significantly affected trends in the amounts reported.
Note 2: As of December 12, 2023, the City passed Resolution 22-2023, a resolution withdrawing remaining assets and terminating the plan as required by the Idle Funds Statutes (Colorado Revised Statutes Title 31, Article 30.5, Section 209) due to there no longer being any participanting members or beneficiaries under the plan. Schedule was kept within 2023 audit report for informational purposes only.

See independent auditors' report and notes to required supplementary information

CITY OF CORTEZ, COLORADO
SCHEDULE OF CITY'S NET PENSION (ASSET) LIABILITY AND RELATED RATIOS CORTEZ OLD HIRE POLICE PENSION FUND
LAST 10 FISCAL YEARS

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Total Pension Liability	$ -	$ 84,371	$ 81,828	$ 89,412	$ 79,328	$ 84,116	$ 165,194	$ 173,129	$ 162,303
Plan's Fiduciary Net Position	-	(293,761)	(304,909)	(296,084)	(275,461)	(288,958)	(266,459)	(274,886)	(292,988)
Net Pension (Asset) Liability	$ -	$ (209,390)	$ (223,081)	$ (206,672)	$ (196,133)	$ (204,842)	$ (101,265)	$ (101,757)	$ (130,685)
Plan's Fiduciary Net Position as % of Total Pension Liability	0%	348%	373%	331%	347%	344%	161%	159%	181%
Covered-Employee Payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Pension Liability as a % of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note 1: There were no factors that significantly affected trends in the amounts reported.
Note 2: As of December 12, 2023, the City passed Resolution 22-2023, a resolution withdrawing remaining assets and terminating the plan as required by the Idle Funds Statutes (Colorado Revised Statutes Title 31, Article 30.5, Section 209) due to there no longer being any participanting members or beneficiaries under the plan. Schedule was kept within 2023 audit report for informational purposes only.

See independent auditors' report and notes to required supplementary information

CITY OF CORTEZ, COLORADO
SCHEDULE OF ACTUARIAL DETERMINED AND ACTUAL CONTRIBUTIONS
CORTEZ OLD HIRE POLICE PENSION FUND
LAST 10 FISCAL YEARS

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Actuarially determined contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Actual contributions	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-Employee Payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Pension Liability as a % of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note 1: There were no factors that significantly affected trends in the amounts reported.
Note 2: As of December 12, 2023, the City passed Resolution 22-2023, a resolution withdrawing remaining assets and terminating the plan as required by the Idle Funds Statutes (Colorado Revised Statutes Title 31, Article 30.5, Section 209) due to there no longer being any participanting members or beneficiaries under the plan. Schedule was kept within 2023 audit report for informational purposes only.

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CITY OF CORTEZ, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (GAAP BASIS)	VARIANCE-POSITIVE (NEGATIVE)
REVENUES				
Property and sales taxes	$ 14,857,715	$ 14,857,715	$ 11,197,800	$ (3,659,915)
Franchise fees	725,852	725,852	748,003	22,151
Licenses, permits and fees	288,330	288,330	273,607	(14,723)
Intergovernmental revenue	1,115,526	1,115,526	1,629,276	513,750
Charges for services	828,882	828,882	700,271	(128,611)
Fines and forfeitures	22,818	22,818	56,675	33,857
Donations	2,000	2,000	34,040	32,040
Investment income	48,525	48,525	170,616	122,091
Grant revenue	364,428	364,428	129,383	(235,045)
Interfund charges	62,000	62,000	1,093,359	1,031,359
Miscellaneous revenue	10,282	10,282	303,483	293,201
TOTAL REVENUES	18,326,358	18,326,358	16,336,513	(1,989,845)
EXPENDITURES				
General Government				
City council	4,108,224	4,108,224	4,163,005	(54,781)
City attorney	251,422	251,422	305,294	(53,872)
Human resources	323,236	323,236	281,940	41,296
Municipal court	225,668	225,668	238,238	(12,570)
City manager	308,068	308,068	317,335	(9,267)
Finance department	725,942	725,942	785,270	(59,328)
City clerk	294,900	294,900	207,077	87,823
Grants administrator	-	-	12,888	(12,888)
Special events	153,961	153,961	148,270	5,691
Total General Government	6,391,421	6,391,421	6,459,317	(67,896)
General Services				
Administration	153,227	153,227	169,011	(15,784)
Capital projects	381,250	381,250	318,831	62,419
Building maintenance	276,432	276,432	270,025	6,407
City hall operations	144,605	144,605	152,216	(7,611)
Welcome center	84,867	84,867	85,197	(330)
Planning and building	751,821	751,821	702,827	48,994
Total General Services	1,792,202	1,792,202	1,698,107	94,095
Public Safety				
Police administration	905,362	905,362	541,104	364,258
Patrol	2,446,918	2,446,918	2,425,220	21,698
Police support services	242,855	242,855	232,883	9,972
Police investigation	702,842	702,842	742,968	(40,126)
Police corrections	40,400	40,400	39,067	1,333
Building operations	127,244	127,244	128,833	(1,589)
Kennel operations	262,913	262,913	279,291	(16,378)
Total Public Safety	4,728,534	4,728,534	4,389,366	339,168
Public Works				
P.W. administration	369,292	369,292	356,936	12,356
Streets & utilities	401,780	401,780	538,524	(136,744)
Traffic services	216,000	216,000	209,626	6,374
Snow and ice removal	68,141	68,141	24,362	43,779
Street cleaning	182,217	182,217	161,692	20,525
Total Public Works	1,237,430	1,237,430	1,291,140	(53,710)

See independent auditors' report and accompanying notes to required supplementary information

CITY OF CORTEZ, COLORADO
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (GAAP BASIS)	VARIANCE- POSITIVE (NEGATIVE)
Parks and Recreation				
Administration	$ 271,910	$ 271,910	$ 161,467	$ 110,443
Aquatics	505,646	505,646	242,478	263,168
Golf course administration	65,268	65,268	65,470	(202)
Golf course maintenance	539,853	539,853	472,226	67,627
City parks	1,054,025	1,054,025	794,909	259,116
Recreation	268,157	268,157	217,584	50,573
Library	716,186	716,186	669,405	46,781
Total Parks and Recreation	3,421,045	3,421,045	2,623,539	797,506
Capital outlay	-	-	215,473	(215,473)
Internal charges	-	-	759,931	(759,931)
TOTAL EXPENDITURES	17,570,632	17,570,632	17,436,873	133,759
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	755,726	755,726	(1,100,360)	(1,856,086)
OTHER FINANCING SOURCES				
Transfers in	244,676	244,676	-	(244,676)
TOTAL OTHER FINANCING SOURCES	244,676	244,676	-	(244,676)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES	$ 1,000,402	$ 1,000,402	(1,100,360)	$ (2,100,762)
Fund Balance, Beginning			10,224,893	
Fund Balance, Ending			$ 9,124,533	

See independent auditors' report and accompanying notes to required supplementary information

CITY OF CORTEZ, COLORADO
STREET IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE- POSITIVE (NEGATIVE)
REVENUES				
Property and sales taxes	$ 1,810,000	$ 1,810,000	$ 1,787,001	$ (22,999)
Investment income	802,710	802,710	19,200	(783,510)
Miscellaneous	20,000	20,000	11,787	(8,213)
TOTAL REVENUES	2,632,710	2,632,710	1,817,988	(814,722)
EXPENDITURES				
Public works	2,632,709	2,632,709	2,165,610	467,099
TOTAL EXPENDITURES	2,632,709	2,632,709	2,165,610	467,099
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 1	$ 1	(347,622)	$ (347,623)
Fund Balance, Beginning			1,886,506	
Fund Balance, Ending			$ 1,538,884	

See independent auditors' report and accompanying notes to required supplementary information

CITY OF CORTEZ, COLORADO
Notes to Required Supplementary Information
For the Year Ended December 31, 2023

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

1) On or before the first Monday in November each year, the City Manager shall submit to the Council a proposed budget for the next ensuing budget year with an explanatory message. The proposed budget provides a complete financial plan for the City and includes the proposed expenditures for each office, department and agency for the ensuing year; debt service requirements for the ensuing fiscal year; an estimate of the amount of anticipated income from all sources other than taxes on property during the ensuing fiscal year, including estimated surplus cash at the end of the fiscal year.

2) The budget is required to be in sufficient detail to show each fund's estimated revenues by source and estimated expenditures. The budget shall be arranged to show comparative figures for receipts and expenditures for the last completed fiscal year, estimates for the current year, and the City Manager's recommendations for the ensuing fiscal year.

3) A public hearing is conducted to obtain taxpayer comments.

4) No later than the last day of December, the budget is legally adopted and appropriations are enacted by Ordinance.

5) The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by City Council.

6) The level on which expenditures may not legally exceed appropriations is the legally adopted annual operating budget for the fund in total.

7) The City Council may legally amend the budget by Ordinance once it has been approved. Budgeted amounts are shown as adopted by the City Council, including all amendments.

8) All appropriations laps at year-end.

9) Budgets are legally adopted for all non-fiduciary funds of the City. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons presented for the Enterprise and Internal Service Funds are presented on a non-GAAP budgetary basis. Tap fees, grant revenues and debt proceeds are recognized as revenue for budget purposes. Capital outlay is budgeted as an expenditure.

SUPPLEMENTARY INFORMATION

CITY OF CORTEZ, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2022

	Lodger's Tax Fund	Conservation Trust Fund	Emergency Reserve-TABOR Fund	Equipment Fund	Mesa Verde Country Visitor Information Bureau	Grant Fund	Total
ASSETS							
Cash and cash equivalents	$ 526,448	$ -	$ 366,786	$ 1,433,205	$ 250	$ 3	$ 2,326,692
Investments, at fair value	-	-	-	725,041	-	-	725,041
Prepaid expenses	-	-	-	-	19,937	-	19,937
Intergovernmental receivable	8,416	20,046	-	-	-	-	28,462
Accounts receivable	-	-	-	42,183	14,169	-	56,352
TOTAL ASSETS	534,864	20,046	366,786	2,200,429	34,356	3	3,156,484
LIABILITIES							
Accounts payable	-	-	-	41	9,691	-	9,732
Unearned revenue	-	-	-	-	21,942	-	21,942
TOTAL LIABILITIES	-	-	-	41	31,633	-	31,674
FUND BALANCE							
Nonspendable	-	-	-	-	19,937	-	19,937
Restricted	-	-	366,786	-	-	3	366,789
Unassigned	534,864	20,046	-	2,200,388	(17,214)	-	2,738,084
TOTAL FUND BALANCE	534,864	20,046	366,786	2,200,388	2,723	3	3,124,810
TOTAL LIABILITIES AND FUND BALANCE	$ 534,864	$ 20,046	$ 366,786	$ 2,200,429	$ 34,356	$ 3	$ 3,156,484

CITY OF CORTEZ, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended December 31, 2023

	Lodger's Tax Fund	Conservation Trust Fund	Emergency Reserve-TABOR Fund	Equipment Fund	Mesa Verde Country Visitor Information Bureau	Grant Fund	Total
REVENUES							
Property and sales taxes	$ 257,085	$ -	$ -	$ 443,731	$ -	$ -	$ 700,816
Intergovernmental revenue	-	-	-	-	448,393	-	448,393
Investment income	-	-	-	30,746	-	-	30,746
Miscellaneous revenue	-	-	-	18,288	2,763	-	21,051
TOTAL OPERATING REVENUES	257,085	-	-	492,765	451,156	-	1,201,006
EXPENDITURES							
General government	185,310	-	-	-	457,196	-	642,506
General services	-	-	-	27,949	-	-	27,949
Capital projects	-	-	-	685,359	-	-	685,359
Debt service							
Principal	-	-	-	77,095	6,787	-	83,882
Interest	-	-	-	9,845	1,588	-	11,433
TOTAL OPERATING EXPENDITURES	185,310	-	-	800,248	465,571	-	1,451,129
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	71,775	-	-	(307,483)	(14,415)	-	(250,123)
OTHER FINANCING SOURCES							
Finance lease proceeeds	-	-	-	322,778	-	-	322,778
TOTAL OTHER FINANCING SOURCES	-	-	-	322,778	-	-	322,778
CHANGES IN FUND BALANCE	71,775	-	-	15,295	(14,415)	-	72,655
FUND BALANCE, BEGINNING	463,089	20,046	366,786	2,185,093	17,138	3	3,052,155
FUND BALANCE, ENDING	$ 534,864	$ 20,046	$ 366,786	$ 2,200,388	$ 2,723	$ 3	$ 3,124,810

CITY OF CORTEZ, COLORADO
LODGER'S TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-POSITIVE (NEGATIVE)
REVENUES				
Property and sales taxes	$ 245,000	$ 245,000	$ 257,085	$ 12,085
EXPENDITURES				
General Government				
City council	196,000	196,000	185,310	10,690
TOTAL EXPENDITURES	196,000	196,000	185,310	10,690
REVENUES IN EXCESS OF EXPENDITURES	49,000	49,000	71,775	22,775
OTHER FINANCING (USES)				
Transfers (out)	(49,000)	(49,000)	-	49,000
CHANGE IN FUND BALANCE	$ -	$ -	71,775	$ 71,775
Fund Balance, Beginning			463,089	
Fund Balance, Ending			$ 534,864	

CITY OF CORTEZ, COLORADO
CONSERVATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental revenue	$ 336,521	$ 336,521	$ -	$ (336,521)
TOTAL REVENUES	336,521	336,521	-	(336,521)
TOTAL REVENUES	336,521	336,521	-	(336,521)
CHANGE IN FUND BALANCE	$ 336,521	$ 336,521	-	$ (336,521)
Fund Balance, Beginning			20,046	
Fund Balance, Ending			$ 20,046	

CITY OF CORTEZ, COLORADO
EMERGENCY RESERVE - TABOR FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-POSITIVE (NEGATIVE)
REVENUES				
Investment income	$ -	$ -	$ -	$ -
TOTAL REVENUES	-	-	-	-
CHANGE IN FUND BALANCE	$ -	$ -	-	$ -
Fund Balance, Beginning			366,786	
Fund Balance, Ending			$ 366,786	

CITY OF CORTEZ, COLORADO
EQUIPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-POSITIVE (NEGATIVE)
REVENUES				
Property and sales taxes	$ 440,000	$ 440,000	$ 443,731	$ 3,731
Investment income	-	-	30,746	30,746
Miscellaneous income	20,000	20,000	18,288	(1,712)
TOTAL REVENUES	460,000	460,000	492,765	32,765
EXPENDITURES				
General Services				
Equipment	-	-	27,949	(27,949)
Capital outlay	449,940	449,940	685,359	(235,419)
Debt service				
Principal	-	-	77,095	(77,095)
Interest	-	-	9,845	(9,845)
TOTAL EXPENDITURES	449,940	449,940	800,248	(350,308)
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	10,060	10,060	(307,483)	(317,543)
OTHER FINANCING SOURCES (USES)				
Finance lease proceeds	-	-	322,778	322,778
Transfers (out)	(8,668)	(8,668)	-	8,668
TOTAL OTHER FINANCING SOURCES (USES)	(8,668)	(8,668)	322,778	331,446
EXCESS OF REVENUS OVER EXPENDITURES AND OTHER FINANCING SOURCES	$ 1,392	$ 1,392	15,295	$ 13,903
Fund Balance, Beginning			2,185,093	
Fund Balance, Ending			$ 2,200,388	

CITY OF CORTEZ, COLORADO
COMBINING STATEMENT OF NET POSITION - NONMAJOR ENTERPRISE FUNDS
December 31, 2023

	Business-Type Activities			
	Hydro Plant Fund	City Community Network Fund	Police Dispatch Fund	Total Nonmajor Enterprise Funds
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 637,269	$ 1,128,497	$ 367,440	$ 2,133,206
Accounts receivable	-	4,538	-	4,538
Lease receivable	-	353,116	-	353,116
TOTAL CURRENT ASSETS	637,269	1,486,151	367,440	2,490,860
CAPITAL ASSETS				
Capital assets, depreciable	422,857	321,666	75,850	820,373
NET CAPITAL ASSETS	422,857	321,666	75,850	820,373
TOTAL ASSETS	$ 1,060,126	$ 1,807,817	$ 443,290	$ 3,311,233
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	$ -	$ 115	$ 663	$ 778
Accrued liabilities	-	-	7,949	7,949
Interfund payables	747,542	-	-	747,542
TOTAL CURRENT LIABILITIES	747,542	115	8,612	756,269
LONG-TERM LIABILITIES				
Compensated absences	-	-	51,486	51,486
TOTAL LONG-TERM LIABILITIES	-	-	51,486	51,486
TOTAL LIABILITIES	747,542	115	60,098	807,755
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to leases	-	353,116	-	353,116
NET POSITION				
Net investment in capital assets	422,857	321,666	75,850	820,373
Unrestricted	(110,273)	1,132,920	307,342	1,329,989
TOTAL NET POSITION	$ 312,584	$ 1,454,586	$ 383,192	$ 2,150,362

CITY OF CORTEZ, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - ENTERPRISE FUNDS
For the Year Ended December 31, 2023

	Business-Type Activities			
	Hydro Plant Fund	City Community Network Fund	Police Dispatch Fund	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	$ -	$ 313,150	$ 544,222	$ 857,372
Interfund charges	518,594	-	327,214	845,808
Miscellaneous revenue	-	1,800,000	-	1,800,000
TOTAL OPERATING REVENUES	518,594	2,113,150	871,436	3,503,180
OPERATING EXPENSES				
Administration	2,961	-	-	2,961
Fiber outside plant	-	69,166	-	69,166
Fiber administration	-	76,337	-	76,337
Fiber inside plant	-	59,845	-	59,845
Police support services	-	-	900,567	900,567
Depreciation	65,356	30,190	27,467	123,013
Internal charges	22,280	697,271	8,705	728,256
TOTAL OPERATING EXPENSES	90,597	932,809	936,739	1,960,145
OPERATING INCOME (LOSS)	427,997	1,180,341	(65,303)	1,543,035
NON-OPERATING (EXPENSE)				
Interest expense	(29,388)	(3,671)	-	(33,059)
TOTAL NON-OPERATING (EXPENSE)	(29,388)	(3,671)	-	(33,059)
CHANGE IN NET POSITION	398,609	1,176,670	(65,303)	1,509,976
NET POSITION, Beginning	(86,025)	277,916	448,495	640,386
NET POSITION, Ending	$ 312,584	$ 1,454,586	$ 383,192	$ 2,150,362

CITY OF CORTEZ, COLORADO
COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2023

	Business-Type Activities			
	Hydro Plant Fund	City Community Network Fund	Police Dispatch Fund	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	$ 518,594	$ 2,120,106	$ 871,436	$ 3,510,136
Payments to suppliers	598,979	(1,487,898)	(32,244)	(921,163)
Payments to employees	-	(65,602)	(863,300)	(928,902)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	1,117,573	566,606	(24,108)	1,660,071
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Debt payments	(508,426)	-	-	(508,426)
Interest paid	(41,283)	(3,671)	-	(44,954)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(549,709)	(3,671)	-	(553,380)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	567,864	562,935	(24,108)	1,106,691
CASH AND CASH EQUIVALENTS, Beginning of Year	69,405	565,562	391,548	1,026,515
CASH AND CASH EQUIVALENTS, End of Year	$ 637,269	$ 1,128,497	$ 367,440	$ 2,133,206
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	$ 427,997	$ 1,180,341	$ (65,303)	$ 1,543,035
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Depreciation	65,356	30,190	27,467	123,013
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	6,956	-	6,956
Lease receivable	-	(353,116)	-	(353,116)
Inventories	-	62,022	-	62,022
Increase (decrease) in:				
Accounts payable	624,220	(700,828)	635	(75,973)
Accrued liabilities	-	(1,423)	3,491	2,068
Deferred inflow related to leases	-	353,116	-	353,116
Compensated absences	-	(10,652)	9,602	(1,050)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 1,117,573	$ 566,606	$ (24,108)	$ 1,660,071

CITY OF CORTEZ, COLORADO
AIRPORT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-POSITIVE (NEGATIVE)
OPERATING REVENUES				
Charges for services	$ 227,528	$ 227,528	$ 179,159	$ (48,369)
Intergovernmental revenue	31,000	31,000	59,718	28,718
Grant revenue	754,681	754,681	325,970	(428,711)
Miscellaneous revenue	-	-	8,087	8,087
TOTAL OPERATING REVENUES	1,013,209	1,013,209	572,934	(440,275)
OPERATING EXPENSES				
Airport operations	389,171	389,171	687,249	(298,078)
Depreciation	275,000	275,000	262,727	12,273
Internal charges	13,000	13,000	19,066	(6,066)
TOTAL OPERATING EXPENSES	677,171	677,171	969,042	(291,871)
OPERATING INCOME (LOSS)	336,038	336,038	(396,108)	(732,146)
CHANGE IN NET POSITION - BUDGET BASIS	$ 336,038	$ 336,038	(396,108)	$ (732,146)
CHANGE IN NET POSITION - GAAP BASIS			(396,108)	
Net Position, Beginning			7,998,378	
Net Position, Ending			$ 7,602,270	

CITY OF CORTEZ, COLORADO
RECREATION CENTER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-POSITIVE (NEGATIVE)
OPERATING REVENUES				
Charges for services	$ 385,493	$ 385,493	$ 444,873	$ 59,380
Miscellaneous revenue	4,000	4,000	3,049	(951)
TOTAL OPERATING REVENUES	389,493	389,493	447,922	58,429
OPERATING EXPENSES				
Recreation center	1,640,003	1,640,003	1,300,185	339,818
Depreciation	252,000	252,000	250,677	1,323
Internal charges	1,000	1,000	-	1,000
TOTAL OPERATING EXPENSES	1,893,003	1,893,003	1,550,862	342,141
OPERATING (LOSS)	(1,503,510)	(1,503,510)	(1,102,940)	400,570
NON-OPERATING REVENUES (EXPENSES)				
Property and sales taxes	1,841,091	1,841,091	1,951,024	109,933
Investment income	-	-	34,332	34,332
TOTAL NON-OPERATING REVENUES	1,841,091	1,841,091	1,985,356	144,265
CHANGE IN NET POSITION - BUDGET BASIS	$ 337,581	$ 337,581	882,416	$ 544,835
CHANGE IN NET POSITION - GAAP BASIS			882,416	
Net Position, Beginning			11,330,755	
Net Position, Ending			$ 12,213,171	

CITY OF CORTEZ, COLORADO
WATER FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-POSITIVE (NEGATIVE)
OPERATING REVENUES				
Charges for services	$ 3,988,802	$ 3,988,802	$ 3,859,682	$ (129,120)
Interfund charges	3,700,000	3,700,000	3,292,653	(407,347)
Miscellaneous revenue	12,000	12,000	13,200	1,200
TOTAL OPERATING REVENUES	7,700,802	7,700,802	7,165,535	(535,267)
OPERATING EXPENSES				
Administration	87,474	87,474	54,003	33,471
Filtration and treatment	2,231,146	2,231,146	2,041,789	189,357
Transmission and distribution	632,164	632,164	670,580	(38,416)
Meter maintenance	12,237	12,237	7,319	4,918
Depreciation	377,195	377,195	473,585	(96,390)
Internal charges	50,350	50,350	235,002	(184,652)
TOTAL OPERATING EXPENSES	3,390,566	3,390,566	3,482,278	(91,712)
OPERATING INCOME	4,310,236	4,310,236	3,683,257	(626,979)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	1,500	1,500	38,833	37,333
Interest expense	(191,096)	(191,096)	(219,663)	(28,567)
Debt retirement	(3,910,921)	(3,910,921)	(3,266,683)	644,238
TOTAL NON-OPERATING EXPENSES	(4,100,517)	(4,100,517)	(3,447,513)	653,004
CHANGE IN NET POSITION - BUDGET BASIS	$ 209,719	$ 209,719	235,744	$ 26,025
GAAP BASIS ADJUSTMENTS				
Debt service principal			3,266,683	
CHANGE IN NET POSITION - GAAP BASIS			3,502,427	
Net Position, Beginning			13,569,915	
Net Position, Ending			$ 17,072,342	

CITY OF CORTEZ, COLORADO
SOLID WASTE COLLECTION FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-POSITIVE (NEGATIVE)
OPERATING REVENUES				
Charges for services	$ 1,633,383	$ 1,633,383	$ 1,911,995	$ 278,612
Miscellaneous revenue	-	-	122,064	122,064
TOTAL OPERATING REVENUES	1,633,383	1,633,383	2,034,059	400,676
OPERATING EXPENSES				
Administration	8,900	8,900	9,807	(907)
Collection	1,484,667	1,484,667	1,103,203	381,464
Recycling	242,505	242,505	204,938	37,567
Depreciation	170,000	170,000	151,848	18,152
Internal charges	6,800	6,800	157,471	(150,671)
TOTAL OPERATING EXPENSES	1,912,872	1,912,872	1,627,267	285,605
OPERATING INCOME (LOSS)	(279,489)	(279,489)	406,792	686,281
NON-OPERATING REVENUES (EXPENSES)				
Investment income	1,800	1,800	6,019	4,219
TOTAL NON-OPERATING REVENUES	1,800	1,800	6,019	4,219
CHANGE IN NET POSITION - BUDGET BASIS	$ (277,689)	$ (277,689)	412,811	$ 690,500
CHANGE IN NET POSITION - GAAP BASIS			412,811	
Net Position, Beginning			1,962,436	
Net Position, Ending			$ 2,375,247	

CITY OF CORTEZ, COLORADO
HYDRO PLANT FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-POSITIVE (NEGATIVE)
OPERATING REVENUES				
Charges for services	$ 20,174	$ 20,174	$ -	$ (20,174)
Interfund charges	-	-	518,594	518,594
TOTAL OPERATING REVENUES	20,174	20,174	518,594	498,420
OPERATING EXPENSES				
Administration	5,317	5,317	2,961	2,356
Depreciation	-	-	65,356	(65,356)
Internal charges	-	-	22,280	(22,280)
TOTAL OPERATING EXPENSES	5,317	5,317	90,597	(85,280)
OPERATING INCOME	14,857	14,857	427,997	413,140
NON-OPERATING (EXPENSES)				
Interest expense	(10,169)	(10,169)	(29,388)	(19,219)
Debt retirement	(59,237)	(59,237)	(508,426)	(449,189)
TOTAL NON-OPERATING EXPENSES	(69,406)	(69,406)	(537,814)	(468,408)
CHANGE IN NET POSITION - BUDGET BASIS	$ (54,549)	$ (54,549)	(109,817)	$ (55,268)
GAAP BASIS ADJUSTMENTS				
Debt service principal			508,426	
CHANGE IN NET POSITION - GAAP BASIS			398,609	
Net Position, Beginning			(86,025)	
Net Position, Ending			$ 312,584	

CITY OF CORTEZ, COLORADO
CITY COMMUNITY NETWORK FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-POSITIVE (NEGATIVE)
OPERATING REVENUES				
Charges for services	$ 462,000	$ 462,000	$ 313,150	$ (148,850)
Miscellaneous revenue	-	-	1,800,000	1,800,000
TOTAL OPERATING REVENUES	462,000	462,000	2,113,150	1,651,150
OPERATING EXPENSES				
Fiber outside plant	122,793	122,793	69,166	53,627
Fiber administration	113,165	113,165	76,337	36,828
Fiber inside plant	72,700	72,700	59,845	12,855
Depreciation	90,000	90,000	30,190	59,810
Internal charges	11,486	11,486	697,271	(685,785)
TOTAL OPERATING EXPENSES	410,144	410,144	932,809	(522,665)
OPERATING INCOME	51,856	51,856	1,180,341	1,128,485
NON-OPERATING (EXPENSES)				
Interest expense	-	-	(3,671)	(3,671)
TOTAL NON-OPERATING EXPENSES	-	-	(3,671)	(3,671)
CHANGE IN NET POSITION - BUDGET BASIS	$ 51,856	$ 51,856	1,176,670	$ 1,124,814
Net Position, Beginning			277,916	
Net Position, Ending			$ 1,454,586	

CITY OF CORTEZ, COLORADO
POLICE DISPATCH FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-POSITIVE (NEGATIVE)
OPERATING REVENUES				
Charges for services	$ 544,222	$ 544,222	$ 544,222	$ -
Interfund charges	327,214	327,214	327,214	-
TOTAL OPERATING REVENUES	871,436	871,436	871,436	-
OPERATING EXPENSES				
Police support services	778,036	778,036	900,567	(122,531)
Depreciation	-	-	27,467	(27,467)
Internal charges	5,000	5,000	8,705	(3,705)
TOTAL OPERATING EXPENSES	783,036	783,036	936,739	(153,703)
OPERATING INCOME (LOSS)	88,400	88,400	(65,303)	(153,703)
CHANGE IN NET POSITION - BUDGET BASIS	$ 88,400	$ 88,400	(65,303)	$ (153,703)
Net Position, Beginning			448,495	
Net Position, Ending			$ 383,192	

CITY OF CORTEZ, COLORADO
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
December 31, 2023

	Shop Fund	Technology Fund	Self-Insured Health Insurance Fund	Total Internal Service Funds
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ -	$ -	$ 3,064,802	$ 3,064,802
Inventories	46,178	-	-	46,178
Accounts receivable	-	2,750	-	2,750
TOTAL CURRENT ASSETS	46,178	2,750	3,064,802	3,113,730
CAPITAL ASSETS				
Capital assets, depreciable	12,005	760	-	12,765
Subscription-based IT arrangements assets	-	225,577	-	225,577
NET CAPITAL ASSETS	12,005	226,337	-	238,342
TOTAL ASSETS	$ 58,183	$ 229,087	$ 3,064,802	$ 3,352,072
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	$ 1,733,613	$ 2,728,305	$ 110,574	$ 4,572,492
Accrued liabilities	9,491	7,672	-	17,163
Accrued interest payable	-	7,354	-	7,354
Subscription liability	-	118,334	-	118,334
TOTAL CURRENT LIABILITIES	1,743,104	2,861,665	110,574	4,715,343
LONG-TERM LIABILITIES				
Compensated absences	28,157	24,760	-	52,917
Subscription liability	-	101,697	-	101,697
TOTAL LONG-TERM LIABILITIES	28,157	126,457	-	154,614
TOTAL LIABILITIES	1,771,261	2,988,122	110,574	4,869,957
NET POSITION				
Net investment in capital assets	12,005	6,306	-	18,311
Unrestricted	(1,725,083)	(2,765,341)	2,954,228	(1,536,196)
TOTAL NET POSITION	$ (1,713,078)	$ (2,759,035)	$ 2,954,228	$ (1,517,885)

CITY OF CORTEZ, COLORADO
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2023

	Shop Fund	Technology Fund	Self-Insured Health Insurance Fund	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	$ -	$ 28,250	$ 2,757,003	$ 2,785,253
Interfund charges	538,045	-	-	538,045
TOTAL OPERATING REVENUES	538,045	28,250	2,757,003	3,323,298
OPERATING EXPENSES				
Health claims	-	-	2,231,186	2,231,186
Shop	811,726	-	-	811,726
Building overhead	149,170	-	-	149,170
Technology	-	697,802	-	697,802
Telecommunications	-	176,335	-	176,335
Depreciation	1,601	-	-	1,601
Amortization	-	112,788	-	112,788
TOTAL OPERATING EXPENSES	962,497	986,925	2,231,186	4,180,608
OPERATING INCOME (LOSS)	(424,452)	(958,675)	525,817	(857,310)
NON-OPERATING REVENUE (EXPENSE)				
Interest expense	-	(7,354)	-	(7,354)
TOTAL NON-OPERATING REVENUE (EXPENSE)	-	(7,354)	-	(7,354)
CHANGE IN NET POSITION	(424,452)	(966,029)	525,817	(864,664)
NET POSITION, Beginning (Deficit)	(1,288,626)	(1,793,006)	2,428,411	(653,221)
NET POSITION, Ending (Deficit)	$ (1,713,078)	$ (2,759,035)	$ 2,954,228	$ (1,517,885)

CITY OF CORTEZ, COLORADO
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2023

	Shop Fund	Technology Fund	Self-Insured Health Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	$ 538,045	$ 28,250	$ -	$ 566,295
Cash flows from internal activities	-	-	2,757,003	2,757,003
Payments to suppliers	(214,356)	524,604	-	310,248
Payments for claims and loss adjustments	-	-	(2,004,078)	(2,004,078)
Payments to employees	(318,274)	(434,520)	(497,143)	(1,249,937)
NET CASH PROVIDED BY OPERATING ACTIVITIES	5,415	118,334	255,782	379,531
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of property and equipment	(5,415)	-	-	(5,415)
Subscription-based IT arrangement assets	-	(338,365)	-	(338,365)
Debt proceeds	-	338,365	-	338,365
Debt payments	-	(118,334)	-	(118,334)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(5,415)	(118,334)	-	(123,749)
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	-	255,782	255,782
CASH AND CASH EQUIVALENTS, Beginning of Year	-	-	2,809,020	2,809,020
CASH AND CASH EQUIVALENTS, End of Year	$ -	$ -	$ 3,064,802	$ 3,064,802
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	$ (424,452)	$ (958,675)	$ 525,817	$ (857,310)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Depreciation and Amortization	1,601	112,788	-	114,389
Changes in assets and liabilities:				
Accounts receivable	-	(2,750)	-	(2,750)
Inventories	25,710	-	-	25,710
Increase (decrease) in:				
Accounts payable	408,087	963,923	(270,035)	1,101,975
Accrued liabilities	3,783	1,813	-	5,596
Compensated absences	(9,314)	1,235	-	(8,079)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 5,415	$ 118,334	$ 255,782	$ 379,531

CITY OF CORTEZ, COLORADO
SHOP FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-POSITIVE (NEGATIVE)
OPERATING REVENUES				
Interfund charges	$ 513,195	$ 513,195	$ 538,045	$ 24,850
Miscellaneous revenue	5,120	5,120	-	(5,120)
TOTAL OPERATING REVENUES	518,315	518,315	538,045	19,730
OPERATING EXPENSES				
Shop	888,134	888,134	811,726	76,408
Building overhead	124,045	124,045	149,170	(25,125)
Depreciation	-	-	1,601	(1,601)
TOTAL OPERATING EXPENSES	1,012,179	1,012,179	962,497	49,682
OPERATING (LOSS)	(493,864)	(493,864)	(424,452)	69,412
NON-OPERATING (EXPENSES)				
Transfers (out)	(44,377)	(44,377)	-	44,377
TOTAL NON-OPERATING EXPENSES	(44,377)	(44,377)	-	44,377
CHANGE IN NET POSITION - BUDGET BASIS	$ (538,241)	$ (538,241)	(424,452)	$ 113,789
Net Position, Beginning (Deficit)			(1,288,626)	
Net Position, Ending (Deficit)			$ (1,713,078)	

CITY OF CORTEZ, COLORADO
TECHNOLOGY FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-POSITIVE (NEGATIVE)
OPERATING REVENUES				
Charges for services	$ 44,000	$ 44,000	$ 28,250	$ (15,750)
TOTAL OPERATING REVENUES	44,000	44,000	28,250	(15,750)
OPERATING EXPENSES				
Technology	725,408	725,408	697,802	27,606
Telecommunications	144,591	144,591	176,335	(31,744)
Depreciation	7,825	7,825	-	7,825
Amortization	-	-	112,788	(112,788)
Interest	-	-	7,354	(7,354)
TOTAL OPERATING EXPENSES	877,824	877,824	994,279	(116,455)
OPERATING (LOSS)	(833,824)	(833,824)	(966,029)	(132,205)
CHANGE IN NET POSITION - BUDGET BASIS	$ (833,824)	$ (833,824)	(966,029)	$ (132,205)
Net Position, Beginning			(1,793,006)	
Net Position, Ending (Deficit)			$ (2,759,035)	

CITY OF CORTEZ, COLORADO
SELF-INSURED HEALTH FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET AND ACTUAL
For the Year Ended December 31, 2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE-POSITIVE (NEGATIVE)
OPERATING REVENUES				
Charges for services	$ 2,856,300	$ 2,856,300	$ 2,757,003	$ (99,297)
TOTAL OPERATING REVENUES	2,856,300	2,856,300	2,757,003	(99,297)
OPERATING EXPENSES				
Health claims	2,147,240	2,147,240	2,231,186	(83,946)
TOTAL OPERATING EXPENSES	2,147,240	2,147,240	2,231,186	(83,946)
OPERATING INCOME	709,060	709,060	525,817	(183,243)
CHANGE IN NET POSITION - BUDGET BASIS	$ 709,060	$ 709,060	525,817	$ (183,243)
Net Position, Beginning			2,428,411	
Net Position, Ending			$ 2,954,228	

CITY OF CORTEZ, COLORADO
STATISTICAL SECTION
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The statistical section of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the City's overall financial health.

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These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).	75 - 79
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These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	80 - 81
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	82 - 83
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	84 - 90

Soruces: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive report for the relevant year.

CITY OF CORTEZ,COLORADO
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
Net investment in capital assets	$ 16,517,699	$ 20,750,168	$ 20,879,297	$ 20,550,742	$ 21,492,839	$ 20,493,252	$ 19,405,325	$ 18,414,546	$ 18,260,317	$ 17,810,863
Restricted	4,646,655	4,196,468	492,456	399,951	366,789	366,789	366,789	366,789	366,789	366,789
Unrestricted	5,563,666	2,795,268	6,284,009	6,236,954	4,208,224	5,597,596	9,347,266	13,124,874	13,841,239	11,351,425
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	$ 26,728,020	$ 27,741,904	$ 27,655,762	$ 27,187,647	$ 26,067,852	$ 26,457,637	$ 29,119,380	$ 31,906,209	$ 32,468,345	$ 29,529,077
Business-Type Activities:										
Net investment in capital assets	$ 20,793,313	$ 20,983,793	$ 21,819,361	$ 21,527,238	$ 21,641,622	$ 21,333,612	$ 22,665,624	$ 22,497,513	$ 21,598,114	$ 24,305,083
Restricted	763,450	698,304	738,620	694,460	640,968	621,877	555,525	577,539	577,539	-
Unrestricted	5,278,594	5,718,410	5,617,342	6,061,565	6,207,363	6,104,284	9,425,955	10,750,414	13,326,217	17,108,309
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	$ 26,835,357	$ 27,400,507	$ 28,175,323	$ 28,283,263	$ 28,489,953	$ 28,059,773	$ 32,647,104	$ 33,825,466	$ 35,501,870	$ 41,413,392
Primary Government:										
Net investment in capital assets	$ 37,311,012	$ 41,733,961	$ 42,698,658	$ 42,077,980	$ 43,134,461	$ 41,826,864	$ 42,070,949	$ 40,912,059	$ 39,858,431	$ 42,115,946
Restricted	5,410,105	4,894,772	1,231,076	1,094,411	1,007,757	988,666	922,314	944,328	944,328	366,789
Unrestricted	10,842,260	8,513,678	11,901,351	12,298,519	10,415,587	11,701,880	18,773,221	23,875,288	27,167,456	28,459,734
TOTAL PRIMARY GOVERNMENT NET POSITION	$ 53,563,377	$ 55,142,411	$ 55,831,085	$ 55,470,910	$ 54,557,805	$ 54,517,410	$ 61,766,484	$ 65,731,675	$ 67,970,215	$ 70,942,469

CITY OF CORTEZ,COLORADO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EXPENSES:										
Governmental Activities:										
General government	$ 1,874,496	$ 2,436,040	$ 2,652,512	$ 2,235,087	$ 5,629,775	$ 5,607,816	$ 2,983,450	$ 2,859,671	$ 3,511,929	$ 7,563,057
General services	2,296,435	2,437,761	1,213,530	1,745,140	1,505,822	1,223,186	4,607,355	4,787,953	4,972,869	6,060,301
Public safety	3,818,048	3,923,237	4,060,844	4,147,242	4,003,769	4,322,330	4,106,792	4,414,165	4,650,143	4,734,236
Public works	1,678,387	1,078,232	1,178,485	3,944,435	3,665,789	3,171,860	1,869,574	3,271,079	4,169,906	3,675,922
Parks and recreation	1,915,130	1,992,656	2,130,401	2,731,390	2,574,385	2,639,983	1,962,383	1,986,644	2,527,582	2,824,626
Internal charges	(283,300)	(266,580)	1,340,665	1,511,379	1,698,608	1,345,472	877,388	775,091	657,938	759,931
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES	11,299,196	11,601,346	12,576,437	16,314,673	19,078,148	18,310,647	16,406,942	18,094,603	20,490,367	25,618,073
Business-Type Activities:										
Airport	821,708	490,642	488,632	518,266	500,807	609,631	1,083,214	922,916	813,115	969,042
Recreation	1,386,478	1,336,882	1,339,530	1,598,335	2,803,085	2,283,798	910,154	1,182,886	1,309,984	1,550,862
Water	1,889,720	2,334,044	2,250,364	3,041,136	2,508,875	3,373,240	2,085,757	3,268,863	3,044,924	3,701,941
Solid waste collection	1,014,778	1,038,254	1,164,413	1,131,046	1,225,033	1,325,991	1,326,757	1,406,945	1,355,886	1,627,267
Police dispatch	692,431	726,090	744,722	871,807	907,017	788,601	726,728	741,975	831,904	936,739
Hydro plant	88,682	88,631	93,792	84,957	85,717	77,434	80,731	83,575	81,943	119,985
City community network	369,361	347,991	341,575	982,849	532,620	307,916	405,922	697,872	317,276	936,480
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES	6,263,158	6,362,534	6,423,028	8,228,396	8,563,154	8,766,611	6,619,263	8,305,032	7,755,032	9,842,316
TOTAL PRIMARY GOVERNMENT EXPENSES	17,562,354	17,963,880	18,999,465	24,543,069	27,641,302	27,077,258	23,026,205	26,399,635	28,245,399	$ 35,460,389
PROGRAM REVENUE:										
Governmental Activities:										
Charges for services:										
General government	$ 140,763	$ 134,847	$ 120,838	$ 238,413	$ 2,858,031	$ 2,860,265	$ 2,708,689	$ 2,690,974	$ 2,672,697	$ -
General services	-	-	-	88,914	71,519	75,584	61,203	52,409	79,991	2,785,253
Public safety	86,841	74,087	84,418	-	-	-	32,193	27,886	50,463	56,675
Public works	265,218	72,884	182,059	345,068	152,850	418,716	235,498	264,580	222,603	273,607
Parks and recreation	448,551	478,994	447,968	475,834	501,836	495,252	615,788	800,015	666,515	734,311
Operating grants and contributions:										
General government	1,346,124	1,216,810	1,191,412	1,505,118	1,623,851	1,577,184	2,059,933	2,044,897	2,435,963	89,780
General services	-	-	-	147,662	185,739	245,602	-	-	-	-
Public safety	206,284	213,733	174,123	-	-	-	100,249	82,123	137,921	39,603
Public works	373,260	381,060	373,021	360,521	422,877	445,338	460,757	487,483	532,095	-
Parks and recreation	107,968	127,369	117,289	101,789	151,219	58,885	198,700	118,092	129,155	190,210
Capital grants and contributions:										
Capital projects	-	-	1,756,625	268,375	-	-	-	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUE	2,975,009	2,699,784	4,447,753	3,531,694	5,967,922	6,176,826	6,473,010	6,568,459	6,927,403	4,169,439

CITY OF CORTEZ,COLORADO
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
PROGRAM REVENUE: (continued)										
Business-Type Activities:										
Charges for services:										
Airport	$ 187,117	$ 209,453	$ 228,724	$ 264,930	$ 250,694	$ 403,158	$ 169,231	$ 171,241	$ 169,588	$ 179,159
Recreation	559,007	531,177	525,654	738,934	528,361	775,707	413,070	424,023	420,598	444,873
Water	2,332,909	2,258,839	2,884,693	2,890,368	3,221,735	2,983,837	3,652,698	3,633,937	3,687,586	3,859,682
Solid waste collection	1,217,197	1,194,928	1,351,726	1,259,556	1,316,954	1,379,612	1,476,908	1,501,942	1,600,825	1,911,995
Police dispatch	737,230	761,685	993,954	744,500	988,413	920,318	885,258	725,111	829,813	544,222
Hydro plant	55,083	60,275	75,540	72,399	74,036	66,600	59,355	26,770	9,067	-
City community network	286,537	267,106	193,312	202,023	526,878	344,923	550,014	443,320	434,476	313,150
Operating grants and contributions:										
Airport	-	-	-	-	-	-	342,953	19,011	32,117	59,718
Water	-	-	-	76,817	-	-	-	-	-	-
City community network	-	-	-	609,668	350,436	-	-	-	-	-
Capital grants and contributions:										
Airport	502,431	-	-	-	-	-	1,933,820	564,344	314,716	325,970
Water	-	231,033	19,180	-	-	-	-	-	-	-
City community network	-	-	24,665	-	-	-	-	-	-	-
TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUE	5,877,511	5,514,496	6,297,448	6,859,195	7,257,507	6,874,155	9,483,307	7,509,699	7,498,786	7,638,769
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	8,852,520	8,214,280	10,745,201	10,390,889	13,225,429	13,050,981	15,956,317	14,078,158	14,426,189	11,808,208
NET (EXPENSE) REVENUE:										
Governmental Activities	(8,324,187)	(8,901,562)	(8,128,684)	(12,782,979)	(13,110,226)	(12,133,821)	(9,933,932)	(11,526,144)	(13,562,964)	(21,448,634)
Business-Type Activities	(385,647)	(848,038)	(125,580)	(1,369,201)	(1,305,647)	(1,892,456)	2,864,044	(795,333)	(256,246)	(2,203,547)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	(8,709,834)	(9,749,600)	(8,254,264)	(14,152,180)	(14,415,873)	(14,026,277)	(7,069,888)	(12,321,477)	(13,819,210)	(23,652,181)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental Activities:										
Taxes:										
Property and sales taxes	8,782,563	9,184,754	9,427,492	9,807,574	9,762,720	10,434,216	11,187,771	12,879,700	12,880,203	13,685,617
Franchise taxes	606,980	637,572	591,439	603,152	575,349	619,515	617,110	616,350	672,872	748,003
Other intergovernmental	-	-	-	-	-	-	-	-	-	1,887,459
Interfund charges	(213,300)	(99,456)	70,000	1,509,923	1,482,608	1,056,502	475,955	441,061	535,833	1,631,404
Investment income	22,010	27,950	20,180	25,879	52,856	125,162	174,992	9,202	(41,243)	220,562
Loss on sale of capital assets	-	-	-	-	-	(211,316)	-	-	-	-
Miscellaneous revenue	120,742	33,941	111,026	379,996	187,528	321,027	64,847	366,660	77,435	336,321
Transfers	-	-	252,441	-	-	178,500	75,000	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES:	9,318,995	9,784,761	10,472,578	12,326,524	12,061,061	12,523,606	12,595,675	14,312,973	14,125,100	18,509,366
Business-Type Activities:										
Taxes:										
Property and sales taxes	1,321,777	1,379,751	1,416,484	1,473,846	1,495,365	1,624,479	1,748,108	1,957,132	1,908,365	1,951,024
Interfund charges	-	-	-	-	-	-	-	-	-	4,138,461
Investment income	23,481	33,437	7,677	3,295	16,972	16,297	31,779	2,314	(1,836)	79,184
Miscellaneous revenue	-	-	-	-	-	-	18,400	14,249	26,121	1,946,400
Transfers	-	-	(252,441)	-	-	(178,500)	(75,000)	-	-	-
TOTAL BUSINESS-TYPE ACTIVITIES:	1,345,258	1,413,188	1,171,720	1,477,141	1,512,337	1,462,276	1,723,287	1,973,695	1,932,650	8,115,069
TOTAL PRIMARY GOVERNMENT:	10,664,253	11,197,949	11,644,298	13,803,665	13,573,398	13,985,882	14,318,962	16,286,668	16,057,750	26,624,435
CHANGES IN NET POSITION:										
Governmental Activities	994,808	883,199	2,343,894	(456,455)	(1,049,165)	389,785	2,661,743	2,786,829	562,136	(2,939,268)
Business-Type Activities	959,611	565,150	1,046,140	107,940	206,690	(430,180)	4,587,331	1,178,362	1,676,404	5,911,522
TOTAL PRIMARY GOVERNMENT:	$ 1,954,419	$ 1,448,349	$ 3,390,034	$ (348,515)	$ (842,475)	$ (40,395)	$ 7,249,074	$ 3,965,191	$ 2,238,540	$ 2,972,254

CITY OF CORTEZ,COLORADO
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(unaudited)

FUNCTION/PROGRAM	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities:										
General government	$ 1,486,887	$ 1,351,657	$ 1,312,250	$ 1,743,531	$ 4,481,882	$ 4,437,449	$ 4,768,622	$ 4,735,871	$ 5,108,660	$ 89,780
General services	-	-	-	236,576	257,258	321,186	61,203	52,409	79,991	2,785,253
Public safety	293,125	287,820	258,541	-	-	-	132,442	110,009	188,384	96,278
Public works	638,478	453,944	555,080	705,589	575,727	864,054	696,255	752,063	754,698	273,607
Parks and recreation	556,519	606,363	565,257	577,623	653,055	554,137	814,488	918,107	795,670	924,521
Capital projects	-	-	1,756,625	268,375	-	-	-	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	2,975,009	2,699,784	4,447,753	3,531,694	5,967,922	6,176,826	6,473,010	6,568,459	6,927,403	4,169,439
Business-Type Activities:										
Airport	689,548	209,453	228,724	264,930	250,694	403,158	2,446,004	754,596	516,421	564,847
Recreation	559,007	531,177	525,654	738,934	528,361	775,707	413,070	424,023	420,598	444,873
Water	2,332,909	2,489,872	2,903,873	2,967,185	3,221,735	2,983,837	3,652,698	3,633,937	3,687,586	3,859,682
Solid waste collection	1,217,197	1,194,928	1,351,726	1,259,556	1,316,954	1,379,612	1,476,908	1,501,942	1,600,825	1,911,995
Police dispatch	737,230	761,685	993,954	744,500	988,413	920,318	885,258	725,111	829,813	544,222
Hydro plant	55,083	60,275	75,540	72,399	74,036	66,600	59,355	26,770	9,067	-
City community network	286,537	267,106	217,977	811,691	877,314	344,923	550,014	443,320	434,476	313,150
TOTAL BUSINESS-TYPE ACTIVITIES	5,877,511	5,514,496	6,297,448	6,859,195	7,257,507	6,874,155	9,483,307	7,509,699	7,498,786	7,638,769
TOTAL GOVERNMENT	$ 8,852,520	$ 8,214,280	$ 10,745,201	$ 10,390,889	$ 13,225,429	$ 13,050,981	$ 15,956,317	$ 14,078,158	$ 14,426,189	$ 11,808,208

CITY OF CORTEZ,COLORADO
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	$ 81,611	$ 69,987	$ 165,371	$ 108,561	$ 140,380	$ 57,951	$ 57,951	$ 51,775	$ 51,775	$ 51,775
Committed	-	1,466	1,245,975	-	-	-	-	-	-	-
Assigned	948,003	637,448	-	-	-	-	-	-	-	-
Unassigned	4,906,465	2,620,841	1,963,652	2,492,077	1,093,227	1,408,355	3,789,951	7,503,752	10,173,118	9,072,758
TOTAL GENERAL FUND	5,936,079	3,329,742	3,374,998	2,600,638	1,233,607	1,466,306	3,847,902	7,555,527	10,224,893	9,124,533
All Other Governmental Funds:										
Nonspendable	1,722	24,914	21,224	17,278	12	10,699	25,704	36,326	14,350	19,937
Restricted	4,646,655	4,196,468	492,456	377,391	366,789	366,789	366,789	366,789	366,789	366,789
Committed	-	-	1,306,423	2,301,319	1,286,733	2,063,958	2,991,854	2,991,854	2,991,854	2,991,854
Assigned	109,072	58,392	2,454,899	-	-	-	-	-	-	-
Unassigned	-	-	(18,971)	1,292,700	1,228,793	1,355,475	1,960,046	2,548,319	1,565,668	1,285,114
TOTAL ALL OTHER GOVERNMENTAL FUNDS	$ 4,757,449	$ 4,279,774	$ 4,256,031	$ 3,988,688	$ 2,882,327	$ 3,796,921	$ 5,344,393	$ 5,943,288	$ 4,938,661	$ 4,663,694

CITY OF CORTEZ,COLORADO
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES:										
Taxes	$ 9,389,543	$ 9,822,326	$ 10,018,931	$ 10,410,726	$ 10,338,069	$ 11,053,731	$ 11,804,881	$ 13,496,050	$ 13,553,075	$ 14,433,620
Licenses, permits and fees	339,138	129,901	270,637	419,464	234,053	204,629	235,498	264,580	222,603	273,607
Intergovernmental	1,746,725	1,686,450	1,655,704	1,947,576	1,936,500	2,076,284	2,033,603	1,493,190	1,937,070	2,077,669
Charges for services	518,284	553,930	482,973	656,035	579,706	840,229	586,778	775,492	636,987	700,271
Interfund charges	70,000	167,124	70,000	235,640	-	-	-	-	-	-
Fines and forfeitures	83,951	76,981	81,673	74,130	54,564	65,764	32,193	27,886	50,463	56,675
Grants	239,034	203,521	1,938,709	430,044	404,709	231,134	840,336	1,227,315	1,309,043	129,383
Miscellaneous	190,629	110,292	149,268	410,304	282,861	465,780	274,752	464,884	132,098	1,684,282
TOTAL REVENUES	12,577,304	12,750,525	14,667,895	14,583,919	13,830,462	14,937,551	15,808,041	17,749,397	17,841,339	19,355,507
EXPENDITURES:										
General government	1,906,593	2,031,274	2,075,679	2,472,574	2,491,238	2,664,887	2,777,981	2,688,239	3,273,533	7,101,823
General services	2,197,935	5,229,904	1,549,895	1,444,290	1,368,338	1,092,691	993,130	966,637	1,078,919	1,726,056
Public safety	3,654,284	3,811,407	3,706,404	3,849,815	3,675,003	3,964,249	3,753,124	4,076,900	4,313,324	4,389,366
Public works	2,198,683	2,829,649	2,145,202	2,977,627	2,640,570	2,145,784	1,762,761	2,881,344	3,974,961	3,456,750
Parks and recreation	1,882,966	1,932,903	2,141,627	2,553,573	2,384,754	2,433,443	1,758,389	1,986,644	2,331,748	2,623,539
Capital projects	-	-	1,939,462	821,349	1,984,633	332,152	31,200	68,022	546,177	900,832
Internal charges	-	-	1,340,665	1,494,734	1,688,688	1,335,552	877,388	775,091	657,938	759,931
Debt service										
Principal	-	-	-	-	-	-	-	-	-	83,882
Interest	-	-	-	-	-	-	-	-	-	11,433
TOTAL EXPENDITURES	11,840,461	15,835,137	14,898,934	15,613,962	16,233,224	13,968,758	11,953,973	13,442,877	16,176,600	21,053,612
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	736,843	(3,084,612)	(231,039)	(1,030,043)	(2,402,762)	968,793	3,854,068	4,306,520	1,664,739	(1,698,105)
OTHER FINANCING SOURCES (USES)										
Transfers in	375,770	429,805	2,406,256	46,239	7,049	249,411	75,000	-	-	-
Transfers out	(375,770)	(429,805)	(2,153,704)	(46,239)	(7,049)	(70,911)	-	-	-	-
Finance lease proceeds	-	-	-	-	-	-	-	-	-	322,778
TOTAL OTHER FINANCING SOURCES (USES)	-	-	252,552	-	-	178,500	75,000	-	-	322,778
NET CHANGES IN FUND BALANCE	$ 736,843	$ (3,084,612)	$ 21,513	$ (1,030,043)	$ (2,402,762)	$ 1,147,293	$ 3,929,068	$ 4,306,520	$ 1,664,739	$ (1,375,327)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%

CITY OF CORTEZ,COLORADO
TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(unaudited)

Fiscal Year	Property Tax*	Sales Tax	Use Tax	Lodgers Tax	Marijuana Tax**	Franchise Tax*	Total
2014	$ -	$ 9,888,847	$ 70,978	$ 203,949	$ -	$ -	$ 10,163,774
2015	-	10,277,941	93,298	224,485	285,405	-	10,881,129
2016	261,051	10,395,112	66,620	223,981	529,316	580,265	12,056,345
2017	244,274	11,000,641	56,809	241,323	896,613	577,212	13,016,872
2018	90,433	11,133,299	67,121	225,272	960,665	614,406	13,091,196
2019	77,120	11,398,984	463,497	234,155	1,077,222	619,516	13,870,494
2020	93,288	12,086,032	394,552	138,819	1,384,237	605,100	14,702,028
2021	115,719	13,809,032	445,590	278,624	1,428,331	617,308	16,694,604
2022	728,329	13,792,528	494,731	266,563	1,006,792	669,179	16,958,122
2023	449,423	14,009,669	540,698	258,693	744,357	750,395	16,753,235
Change 2014 - 2023*	72%	42%	662%	27%	161%	29%	65%

Source: City records.

*Data for 2014 and 2015 not available due to software conversion for many taxes. Calculation of change from 2014 - 2023 may fluctuate on year due to software conversion data.
**Marijuana Tax was collected starting in 2015.

CITY OF CORTEZ,COLORADO
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(unaudited)

Assessment Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Natural Resources (Non-Metallic)	Oil & Gas	Total Assessed Value	Percent Growth	Total Direct Tax Rate	Total Taxable Assessed Value
2014	$ 105,809,880	$ 62,935,410	$ 10,465,060	$ 32,294,540	$ 1,061,640	$ 423,305,310	$ 635,871,840	1.107	1.23	$ 516,968,976
2015	106,125,560	64,778,150	13,105,720	36,264,330	847,810	482,532,180	703,653,750	1.107	1.28	549,729,492
2016	107,399,110	67,035,620	15,047,340	36,603,700	915,840	348,194,560	575,196,170	0.817	1.31	439,081,046
2017	107,798,110	65,730,580	14,275,850	40,143,210	907,070	277,446,250	506,301,070	0.880	1.21	418,430,636
2018	109,923,850	67,604,340	14,389,100	40,023,000	989,880	355,269,300	588,199,470	1.162	1.24	474,354,411
2019	115,175,710	68,898,300	14,117,080	36,847,220	777,920	395,544,370	631,360,600	1.073	1.30	485,662,000
2020	128,272,790	75,288,940	17,080,410	40,619,010	913,580	399,421,760	661,596,490	1.048	1.29	512,865,496
2021	127,179,620	69,347,890	15,788,950	42,133,160	884,720	271,250,200	526,584,540	0.796	1.21	435,193,835
2022	123,397,990	68,183,780	15,349,930	39,401,650	878,340	303,716,980	550,928,670	1.046	1.21	455,312,950
2023	128,272,790	75,288,940	17,080,410	40,619,010	913,580	399,421,760	661,596,490	1.201	1.23	536,139,781

Source: County Assessor

CITY OF CORTEZ,COLORADO
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(unaudited)

Note: This information was not available from Montezuma County Assessor.

Source: County Assessor

CITY OF CORTEZ,COLORADO
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO
(unaudited)

Note: This information was not available from Montezuma County Assessor.

Source: County Assessor

CITY OF CORTEZ,COLORADO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(unaudited)

			Collected within the Fiscal Year of the Levy				Total Collections to Date	
Fiscal Year Ended	Tax Year	Valuation per County	Levy	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2014	2013	$ 85,736,410	1.23	$ 105,489	100%	$ -	$ 105,489	100%
2015	2014	84,663,380	1.28	108,369	100%	-	108,369	100%
2016	2015	87,935,000	1.31	115,195	100%	-	115,195	100%
2017	2016	88,085,710	1.21	106,584	100%	-	106,584	100%
2018	2017	87,319,880	1.24	108,277	100%	-	108,277	100%
2019	2018	88,128,980	1.3	114,568	100%	-	114,568	100%
2020	2019	90,862,810	1.3	117,719	100%	-	117,719	100%
2021	2020	89,952,080	1.05	94,809	100%	-	94,809	100%
2022	2021	95,486,810	1.17	111,891	100%	-	111,891	100%
2023	2022	93,707,080	1.23	115,659	100%	-	115,659	100%

Source: Montezuma County Treasurer

Note: Collections for property taxes are collected in full of the tax year every year through the tax lien sale.

CITY OF CORTEZ,COLORADO
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING BY TYPE
LAST TEN FISCAL YEARS
(unaudited)

	Governmental Activities					
Assessment Year	General Obligation Bonds	Less Amount Available in Debt Service	Net General Bonded Debt	Lease Payable	Percentage of Actual Property Value	Debt per Capita
2014	$ -	$ -	$ -	$ -	0.00%	$ -
2015	-	-	-	-	0.00%	-
2016	-	-	-	-	0.00%	-
2017	-	-	-	-	0.00%	-
2018	-	-	-	-	0.00%	-
2019	-	-	-	-	0.00%	-
2020	-	-	-	-	0.00%	-
2021	-	-	-	-	0.00%	-
2022	-	-	-	20,850	0.00%	2
2023	-	-	-	511,006	0.10%	58

	Business-Type Activities					
Assessment Year	Loans Payable	Lease Payable	Refunding Revenue Bonds	Total Primary Government	Percentage of Per Capita	Per Capita
2014	$ 5,109,094	$ -	$ 3,713,249	$ 8,822,343	0.01%	$ 1,031
2015	5,778,224	-	3,217,861	8,996,085	0.01%	1,052
2016	5,572,641	-	2,722,472	8,295,113	0.01%	968
2017	5,288,811	-	2,216,854	7,505,665	0.01%	873
2018	4,998,270	-	1,682,153	6,680,423	0.01%	774
2019	4,693,237	-	1,137,225	5,830,462	0.01%	674
2020	4,376,883	-	572,173	4,949,056	0.01%	565
2021	4,048,692	-	-	4,048,692	0.01%	454
2022	3,775,109	-	-	3,795,959	0.01%	422
2023	-	1,063,970	-	1,574,976	0.01%	178

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements. As a Home Rule entity, , the City has no statutory debt limit.
Note: Beginning in 2014, the refunding revenue bonds are presented net of unamortized premium/discount and deferred charge.

CITY OF CORTEZ,COLORADO
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

(unaudited)

Note: This information was not available from Montezuma County Assessor.

Source: County Assessor

CITY OF CORTEZ,COLORADO
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year Ended December 31	Population (1)	Median Household Income (2)	Personal Income (2)	Per Capita Income (2)	Unemployment Rate (3)
2014	$ 8,554	$ 39,141	$ 1,003,776	$ 39,636	6.1%
2015	8,550	42,412	1,032,187	40,507	5.5%
2016	8,571	39,530	1,029,245	40,010	4.7%
2017	8,600	40,183	1,045,673	40,541	3.7%
2018	8,633	40,048	1,093,755	42,305	4.5%
2019	8,652	42,271	1,133,176	43,811	4.1%
2020	8,766	42,245	1,216,110	46,985	6.8%
2021	8,909	51,924	1,353,859	51,642	6.0%
2022	8,996	55,962	1,336,853	50,508	3.8%
2023	8,832	55,962	1,336,853	49,583	4.0%

Sources:

(1) Census Bureau midyear population estimate. BEA produced intercensal annual county population statistics for 2010 to 2019 that are tied to the Census Bureau decennial counts for 2010 and 2020. BEA developed intercensal population statistics because this data was not published when Census released county population data for 2020 through 2022, which are based on the 2020 decennial counts. BEA used the Census Bureau Das Gupta method (see https://www2.census.gov/programs-surveys/popest/technical-documentation/methodology/intercensal/2000-2010-intercensal-estimates-methodology.pdf), modified to account for an extra leap year day, to produce the intercensal population figures that will be used until Census releases its official intercensal population data.

(2) Per capita personal income was computed using Census Bureau midyear population estimates. BEA produced intercensal annual county population statistics for 2010 to 2019 that are tied to the Census Bureau decennial counts for 2010 and 2020. BEA developed intercensal population statistics because this data was not published when Census released county population data for 2020 and 2022, which are based on the 2020 decennial counts. BEA used the Census Bureau Das Gupta method (see https://www2.census.gov/programs-surveys/popest/technical-documentation/methodology/intercensal/2000-2010-intercensal-estimates-methodology.pdf), modified to account for an extra leap year day, to produce the intercensal population figures that will be used until Census releases its official intercensal population data.

Metropolitan Areas are defined (geographically delineated) by the Office of Management and Budget (OMB) bulletin no. 20-01 issued March 6, 2020.

Note. All dollar estimates are in thousands of current dollars (not adjusted for inflation). Statistics presented in thousands of dollars do not indicate more precision than statistics presented in millions of dollars.

Last updated: November 16, 2023-- new statistics for 2022; revised statistics for 1979-2021.

(3) Homefacts.com/unemployment

CITY OF CORTEZ,COLORADO
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO
(unaudited)

2014		
Employer	Employees	Rank
Montezuma Cortez School District RE1	463	1
Ute Mountain Casino	415	2
Southwest Health Systems	385	3
Ute Mountain Ute Tribe - Government	342	4
Walmart	340	5
Montezuma County	273	6
City of Cortez	164	7
Pasco SW Inc	123	8
City Market	115	9

2023		
Employer	Employees	Rank
Ute Mountain Ute Tribe - Government	1300	1
Montezuma Cortez School Dist. RE1	325	2
Southwest Health Systems	300	3
Walmart	224	4
Montezuma County	206	5
City Market	202	6
Dept of Interior - Mesa Verde	200	7
Far View Lodge	150	8
City of Cortez	146	9

Source: Region9 Economic Developm

CITY OF CORTEZ,COLORADO
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

	Full-Time Equivalent Employees as of December 31									
Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
IT	3	3	4	4	4	3	3	4	5	5
Street Improvement	0	0	0	0	0	0	0	0	1	4
City Attorney	0	0	0	0	0	0	0	0	1	2
Human Resources	2	2	2	2	2	2	2	2	2	2
Municipal Court	2	2	2	2	2	2	2	2	2	2
City Manager	2	2	2	3	3	3	2	2	2	2
Finance	5	5	5	5	5	5	5	5	6	6
City Clerk	1	1	1	1	1	1	1	1	1	1
Dispatch	8	8	8	11	7	9	9	8	10	12
Marketing	0	1	1	1	1	1	1	1	1	0
Library	4	4	4	5	5	5	4	3	5	5
Shop	4	4	4	4	5	5	5	5	5	5
General Services	1	1	1	1	1	1	1	1	1	1
Building Maintenance	3	3	3	3	3	3	3	3	3	3
Welcome Center	1	1	1	1	1	0	0	0	0	0
Police Admin	4	4	4	4	4	4	4	4	4	4
Police Patrol	21	23	25	23	21	21	23	24	24	23
Police Support	3	3	3	3	3	3	3	3	3	3
Police Detective	8	8	8	7	11	10	11	10	9	8
Kennel	2	2	2	2	2	2	2	2	2	2
PW Admin	4	4	4	4	3	4	3	2	3	3
PW Streets	6	6	6	6	6	6	5	7	6	8
Street Cleaning	2	2	2	2	2	2	2	2	2	2
P & R Admin	1	1	1	1	1	1	1	0	1	1
Golf Course	3	3	3	3	3	3	3	3	2	3
Parks	3	3	3	3	3	3	3	3	4	4
Recreation	1	1	1	1	1	1	1	1	1	1
Rec Center	7	7	7	9	8	8	8	6	8	11
Planning & Building	4	4	4	5	5	4	4	3	4	5
Water Treatment	3	3	4	4	4	4	4	4	3	5
Water Trans & Dist	6	6	6	7	8	8	6	6	7	5
Airport	2	2	2	2	2	2	2	2	3	3
Refuse Collection	6	6	7	7	7	7	8	8	9	9
Recycling	1	2	2	2	2	2	2	2	2	2
CCN	1	1	1	1	1	1	1	1	1	0

CITY OF CORTEZ,COLORADO
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

	Calendar Year									
Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Calls for service	*N/A	*N/A	11,600	20,902	20,755	19,658	18,368	17,901	20,778	20,796
Cases reported	*N/A	*N/A	2,734	2,550	2,655	2,427	1,867	2,014	2,099	2,337
Traffic summons	*N/A	*N/A	66	122	133	111	57	39	75	80
Library										
Number of materials loaned	153,859	164,882	146,157	156,167	166,711	158,628	84,669	83,482	93,657	98,245
Number of library card holders	22,207	23,186	24,203	25,296	26,231	26,533	27,084	27,751	28,425	28,821
Water Delivery										
Gallons produced	529,182,889	617,763,830	665,066,391	682,564,157	736,179,216	571,884,040	624,581,000	610,742,000	554,450,000	527,808,910
Number of water meters	3,847	3,847	3,847	3,847	3,847	3,847	3,847	3,847	3,847	3,847
Public Works										
Garbage processed in tons	5,917	5,762	6,250	6,495	6,176	6,448	6,837	7,349	7,402	7,370
Recycling processed in tons	407	442	517	543	543	574	389	463	325	325

*Police Department data not available due to a software conversion in 2016

CITY OF CORTEZ,COLORADO
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

	Calendar Year									
Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
IT										
Fiber Optics	*N/A	*N/A	2	2	2	2	2	2	2	2
Equipment	*N/A	*N/A	1	1	0	0	0	0	0	0
Data Process	*N/A	*N/A	7	7	2	2	2	2	2	2
Other Improvements	*N/A	*N/A	2	2	1	1	1	1	1	1
Finance										
Data Process	*N/A	*N/A	1	1	1	1	1	1	1	1
Dispatch										
Equipment	*N/A	*N/A	5	5	4	4	4	4	4	4
Library										
Buildings	*N/A	*N/A	1	1	1	1	1	1	1	1
Equipment	*N/A	*N/A	3	3	1	1	1	1	1	1
Other Improvements	*N/A	*N/A	5	5	5	5	5	5	5	5
Shop										
Data Process	*N/A	*N/A	2	0	0	0	0	0	0	0
Equipment	*N/A	*N/A	7	7	4	5	5	5	5	6
General Services										
Land	*N/A	*N/A	6	7	8	8	8	8	9	9
Buildings	*N/A	*N/A	15	15	13	13	13	13	13	13
Infrastructure	*N/A	*N/A	1	1	1	1	1	1	1	1
Land Improvements	*N/A	*N/A	2	3	3	3	3	3	3	3
Other Improvements	*N/A	*N/A	2	2	2	2	2	2	2	3
Data Process	*N/A	*N/A	7	7	1	1	1	1	1	1
Equipment	*N/A	*N/A	17	18	8	8	8	8	8	8
Vehicles	*N/A	*N/A	7	7	5	4	4	4	4	4
Building Maintenance										
Equipment	*N/A	*N/A	1	1	1	1	1	1	1	1
Vehicles	*N/A	*N/A	4	4	3	3	3	3	3	3
Welcome Center										
Buildings	*N/A	*N/A	1	1	1	1	1	1	1	1
Other Improvements	*N/A	*N/A	2	2	2	3	3	3	3	3
Police Admin										
Equipment	*N/A	*N/A	21	21	21	21	21	21	21	21
Vehicles	*N/A	*N/A	5	4	0	0	0	0	1	1
Police Patrol										
Other Improvements	*N/A	*N/A	0	0	0	0	0	1	1	1
Equipment	*N/A	*N/A	3	3	0	0	0	0	0	1
Vehicles	*N/A	*N/A	51	53	32	33	32	32	32	32
Police Detective										
Equipment	*N/A	*N/A	1	1	1	2	2	2	2	2
Vehicles	*N/A	*N/A	6	6	2	2	2	2	2	1

*2014 and 2015 not available due to software conversion in 2016

CITY OF CORTEZ,COLORADO
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (CONTINUED)
LAST TEN FISCAL YEARS
(unaudited)

	Calendar Year									
Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
PD Building Operations										
Buildings	*N/A	*N/A	6	6	6	6	6	6	6	6
Data Process	*N/A	*N/A	2	2	0	0	0	0	0	0
Infrastructure	*N/A	*N/A	3	3	3	3	3	3	3	3
Other Improvements	*N/A	*N/A	4	4	2	2	2	2	2	3
Equipment	*N/A	*N/A	1	1	1	1	1	1	1	1
Kennel										
Land	*N/A	*N/A	2	2	2	2	2	2	2	2
Buildings	*N/A	*N/A	4	4	4	4	4	4	4	4
Other Improvements	*N/A	*N/A	2	2	2	2	2	2	2	2
Vehicles	*N/A	*N/A	1	1	1	1	1	1	1	1
PW Admin										
Data Process	*N/A	*N/A	5	5	2	2	2	2	2	2
Equipment	*N/A	*N/A	2	2	1	1	1	1	1	1
Vehicles	*N/A	*N/A	4	4	3	4	4	4	4	4
Aerial Mapping	*N/A	*N/A	1	1	1	1	1	1	1	1
PW Streets										
Land	*N/A	*N/A	1	1	1	1	1	1	1	1
Infrastructure	*N/A	*N/A	31	31	31	31	31	31	31	31
Data Process	*N/A	*N/A	1	1	1	1	1	1	1	1
Streets	*N/A	*N/A	7	7	8	8	8	8	8	8
Buildings	*N/A	*N/A	1	1	1	1	1	1	1	1
Equipment	*N/A	*N/A	9	10	11	11	11	11	11	10
Vehicles	*N/A	*N/A	22	21	19	20	19	19	21	21
PW Traffic Services										
Equipment	*N/A	*N/A	4	4	3	3	3	3	3	3
Vehicles	*N/A	*N/A	28	28	19	18	18	18	17	16
Street Cleaning										
Infrastructure	*N/A	*N/A	1	1	1	1	1	1	1	1
Equipment	*N/A	*N/A	0	0	0	0	0	0	0	1
Vehicles	*N/A	*N/A	3	3	2	2	2	2	1	1
Outdoor Pool										
Buildings	*N/A	*N/A	4	4	4	4	4	4	4	4
Other Improvements	*N/A	*N/A	6	6	5	5	5	5	5	5
Equipment	*N/A	*N/A	0	0	0	0	0	0	1	1
GC Admin										
Other Improvements	*N/A	*N/A	1	1	1	1	1	1	1	1
Equipment	*N/A	*N/A	1	1	0	0	0	0	0	0
Golf Course										
Land	*N/A	*N/A	7	7	7	7	7	7	7	7
Data Process	*N/A	*N/A	1	1	1	1	1	1	1	1
Land Improvements	*N/A	*N/A	5	5	5	5	5	5	5	5
Other Improvements	*N/A	*N/A	7	7	7	7	7	7	7	7
Buildings	*N/A	*N/A	6	6	6	6	6	6	6	6
Infrastructure	*N/A	*N/A	1	1	1	1	1	1	1	1
Equipment	*N/A	*N/A	8	9	14	16	16	15	16	16
Vehicles	*N/A	*N/A	24	24	24	23	23	24	24	24

*2014 and 2015 not available due to software conversion in 2016

CITY OF CORTEZ,COLORADO
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (CONTINUED)
LAST TEN FISCAL YEARS
(unaudited)

	Calendar Year									
Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Parks										
Land	*N/A	*N/A	5	5	4	6	6	6	6	6
Land Improvements	*N/A	*N/A	9	9	9	9	10	10	10	10
Buildings	*N/A	*N/A	11	11	10	10	10	10	10	10
Infrastructure	*N/A	*N/A	4	4	4	4	4	4	4	4
Other Improvements	*N/A	*N/A	61	61	54	54	54	54	54	54
Equipment	*N/A	*N/A	20	20	20	20	20	20	21	21
Vehicles	*N/A	*N/A	29	30	22	22	22	22	24	24
Rec Center										
Buildings	*N/A	*N/A	5	5	5	5	5	5	5	5
Other Improvements	*N/A	*N/A	10	10	10	10	10	10	10	10
Data Process	*N/A	*N/A	2	2	1	1	1	1	1	1
Equipment	*N/A	*N/A	12	13	8	10	10	10	11	11
P&R Capital										
Buildings	*N/A	*N/A	2	2	2	2	2	2	2	2
Land Improvements	*N/A	*N/A	1	1	1	1	1	1	1	1
Other Improvements	*N/A	*N/A	1	1	1	1	1	1	1	1
Equipment	*N/A	*N/A	2	2	2	2	2	2	2	2
Planning & Building										
Data Process	*N/A	*N/A	0	1	1	1	1	1	1	1
Vehicles	*N/A	*N/A	2	2	3	3	3	3	3	3
Water Treatment										
Water Rights	*N/A	*N/A	5	5	5	5	5	5	5	5
Water Distribution System	*N/A	*N/A	6	6	6	6	6	6	6	6
Data Process	*N/A	*N/A	1	1	1	1	1	1	1	1
Buildings	*N/A	*N/A	6	6	6	6	6	6	6	6
Infrastructure	*N/A	*N/A	6	6	6	6	6	6	6	6
Other Improvements	*N/A	*N/A	1	1	1	1	1	1	1	1
Equipment	*N/A	*N/A	15	15	14	14	14	14	14	14
Vehicles	*N/A	*N/A	5	5	5	4	4	5	4	4
Water Trans & Dist										
Water Distribution System	*N/A	*N/A	9	9	9	9	9	9	9	9
Buildings	*N/A	*N/A	1	1	1	1	1	1	1	1
Infrastructure	*N/A	*N/A	146	146	145	145	145	145	145	145
Equipment	*N/A	*N/A	3	2	2	2	2	2	2	2
Vehicles	*N/A	*N/A	11	11	8	9	9	9	9	8
Airport										
Land	*N/A	*N/A	9	9	9	9	9	9	9	9
Other Improvements	*N/A	*N/A	4	4	0	0	0	0	0	0
Buildings	*N/A	*N/A	11	11	11	11	11	11	11	11
Infrastructure	*N/A	*N/A	19	19	18	18	19	19	19	19
Equipment	*N/A	*N/A	2	2	2	2	2	2	2	4
Vehicles	*N/A	*N/A	8	8	7	7	7	7	8	8

*2014 and 2015 not available due to software conversion in 2016

CITY OF CORTEZ,COLORADO
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (CONTINUED)
LAST TEN FISCAL YEARS
(unaudited)

	Calendar Year									
Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Meter Maintenance										
Equipment	*N/A	*N/A	1	1	1	0	0	0	0	0
Refuse Collection										
Equipment	*N/A	*N/A	1	1	1	1	1	1	1	1
Vehicles	*N/A	*N/A	12	12	11	11	11	11	11	8
Recycling										
Equipment	*N/A	*N/A	3	3	3	3	3	3	3	2
Vehicles	*N/A	*N/A	1	1	2	2	2	2	2	1
CCN Outside Plant										
Data Process	*N/A	*N/A	3	3	2	2	2	2	2	2
Fiber Optics	*N/A	*N/A	1	1	2	2	2	2	2	2
Infrastructure	*N/A	*N/A	5	5	5	5	5	5	5	5

*2014 and 2015 not available due to software conversion in 2016