

**TOWN OF FAIRPLAY**  
**FINANCIAL STATEMENTS**  
**WITH**  
**INDEPENDENT AUDITORS' REPORT**  
**FOR THE YEAR ENDED**  
**December 31, 2023**

**TOWN OF FAIRPLAY, COLORADO  
BOARD OF TRUSTEES  
December 31, 2023**

**Board of Trustees**

Frank Just, Mayor  
Scott Dodge, Mayor Pro Tem  
Peter Lynn, Trustee  
Josh Voorhis, Trustee  
Ray Douglas, Trustee

## **INTRODUCTORY SECTION**

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## **FINANCIAL SECTION**

The discussion and analysis of the Town of Fairplay's financial performance is an overall review of the Town's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the Town's financial performance overall. Readers should also review the financial statements and the notes to the financial statements to obtain a broadened understanding of the Town's financial performance.

### **Financial Highlights**

The Town of Fairplay's Governmental Net Position increased by \$945,370 and Business-type Net Position increased by \$361,397 for the year.

- The assets of the Town exceeded its liabilities at the close of the fiscal year 2023 by \$13,129,355. Of this amount, \$6,055,160 (*Unrestricted Net Position*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- At the end of 2023 Unrestricted Net Position for the Proprietary Funds (business-type activities) was \$1,912,970.
- At the close of the fiscal year 2023, the Town's General Fund reported an ending fund balance of \$3,986,271 compared to the fiscal year 2022 balance of \$3,101,288.
- General Fund 2023 revenues increased by \$121,621 to \$3,042,515.
- General Fund 2023 expenditures increased by \$281,024 to \$2,157,532.

### **Using the Basic Financial Statements**

The Basic Financial Statements consist of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the Town of Fairplay as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are Government-wide Financial Statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the Town's overall financial health and status.

The remaining statements are fund financial statements that focus on individual portions of the Town's operations in more detail. The Governmental Fund Statements tell how general Town services were financed in the short term as well as what remains for future spending. The Town's major governmental fund is the General Fund. The Town also has a Special Revenue Fund that is a non-major fund consisting of the Conservation Trust Fund.

Proprietary Fund Statements offer short and long-term financial information about the activities that the Town operates as a business. The Town operates two Proprietary Funds: the Utility Fund and the Internal Service Fleet Fund.

Fiduciary fund statements provide information about financial relationships where the Town acts solely as a trustee or agent for the benefit of others to whom the resources in question belong. The Town does not have any fiduciary funds.

The Financial Statements also include notes that help to explain specific information and provide more detail on certain data.

### **Financial Analysis of the Town as a Whole**

The Town's Total Net Position was \$13,129,355 as of December 31, 2023, compared to \$11,822,588 as of December 31, 2022. This represents an increase of \$1,306,767.

### **Government-Wide Financial Statements**

The Government-Wide Statements report information about the Town as a whole using accounting methods similar to those used by private businesses. The Net Position Statements include all the government's assets and liabilities. The current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two Government-Wide Statements report the Town's net position and how it changed. The change in net position is important because it tells the reader that for the Town as a whole, the financial position of the Town has improved or deteriorated. The causes of this change may be the result of various factors, some financial, some not such as facility conditions or unfunded State or Federal government-required programs.

Both of the Government-Wide Financial Statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the Town include the General Fund and Conservation Trust Fund. The Business-type Activities of the Town of Fairplay consist of the Water Fund and the Internal Service Fleet Fund.

## Net Position

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Town of Fairplay, assets exceeded liabilities by approximately \$13 million at the close of 2023.

Net position of the Town at December 31 were as follows:

	<b>CONDENSED STATEMENT OF NET POSITION</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>						
Current and Other Assets	4,476,457	3,758,713	2,273,381	1,852,308	6,749,838	5,611,021
Capital Assets	<u>2,918,915</u>	<u>3,079,180</u>	<u>6,375,500</u>	<u>6,460,631</u>	<u>9,294,415</u>	<u>9,539,811</u>
Total Assets	<u>7,395,372</u>	<u>6,837,893</u>	<u>8,648,881</u>	<u>8,312,939</u>	<u>16,044,253</u>	<u>15,150,832</u>
<b>DEFERRED OUTFLOWS</b>	<u>278,048</u>	<u>99,874</u>	-	-	<u>278,048</u>	<u>99,874</u>
<b>LIABILITIES</b>						
Current Liabilities	99,909	59,361	106,844	35,914	206,753	95,275
Noncurrent Liabilities	<u>60,351</u>	<u>35,443</u>	<u>2,595,531</u>	<u>2,691,916</u>	<u>2,655,882</u>	<u>2,727,359</u>
Total Liabilities	<u>160,260</u>	<u>94,804</u>	<u>2,702,375</u>	<u>2,727,830</u>	<u>2,862,635</u>	<u>2,822,634</u>
<b>DEFERRED INFOWS</b>	<u>327,579</u>	<u>605,384</u>	-	-	<u>327,579</u>	<u>605,384</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	2,918,228	2,945,142	3,788,476	3,779,031	6,706,704	6,724,173
Restricted	122,431	256,062	245,060	268,160	367,491	524,222
Unrestricted	<u>4,144,922</u>	<u>3,036,275</u>	<u>1,912,970</u>	<u>1,537,918</u>	<u>6,057,892</u>	<u>4,574,193</u>
<b>Total Net Position</b>	<u><b>7,185,581</b></u>	<u><b>6,237,479</b></u>	<u><b>5,946,506</b></u>	<u><b>5,585,109</b></u>	<u><b>13,132,087</b></u>	<u><b>11,822,588</b></u>

The Statement of Net Position reflects a cash position totaling \$5,968,963. The bulk of the Town's resources, \$9,294,415, are invested in Capital Assets. These assets consist of land and improvements, buildings, equipment, and utility system assets. The remaining total assets are receivables.

The Town of Fairplay uses Capital Assets to provide services to the citizens. Consequently, these assets are not available for future spending. Although the Town of Fairplay's investment in its Capital Assets is reported net of related debt, it should be noted that the funds needed to repay this debt must be provided from other sources. In general, the Capital Assets themselves cannot be used to liquidate these liabilities. Unrestricted Net Position may be used to meet the Town's ongoing obligations to citizens and creditors.

## Changes in Net Position

Governmental activities increased the Town of Fairplay's net position by \$945,370.

Business activities increased the Town's net position by \$361,397.

Town of Fairplay  
Management Discussion and Analysis  
December 31, 2023

A summary of the changes in net position is as follows:

<b>CONDENSED STATEMENT OF ACTIVITIES</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>PROGRAM REVENUES</b>						
Charges for Services	225,730	181,289	1,088,362	1,066,676	1,314,092	1,247,965
Operating Grants	81,632	199,763	163,306	-	244,938	199,763
Capital Grants	-	-	170,361	345,498	170,361	345,498
Total Program Revenues	<u>307,362</u>	<u>381,052</u>	<u>1,422,029</u>	<u>1,412,174</u>	<u>1,729,391</u>	<u>1,793,226</u>
<b>GENERAL REVENUES</b>						
Property Taxes	236,521	234,253	-	-	236,521	234,253
Specific Ownership Taxes	28,947	28,861	-	-	28,947	28,861
Sales Taxes	2,129,221	2,088,669	-	-	2,129,221	2,088,669
Franchise Taxes	84,998	74,719	-	-	84,998	74,719
Other Taxes	49,757	53,632	-	-	49,757	53,632
Interest Income	161,037	38,011	81,025	22,666	242,062	60,677
Insurance Proceeds	-	-	-	-	-	-
Other Revenues	52,647	26,377	-	-	52,647	26,377
Total General Revenues	<u>2,743,128</u>	<u>2,544,522</u>	<u>81,025</u>	<u>22,666</u>	<u>2,824,153</u>	<u>2,567,188</u>
Total Revenues & Transfers	<u>3,050,490</u>	<u>2,925,574</u>	<u>1,503,054</u>	<u>1,434,840</u>	<u>4,553,544</u>	<u>4,360,414</u>
<b>PROGRAM EXPENSES</b>						
General Government	737,636	505,548	-	-	737,636	505,548
Public Safety	537,567	519,737	-	-	537,567	519,737
Public Works	575,086	483,467	-	-	575,086	483,467
Culture and Recreation	250,945	146,146	-	-	250,945	146,146
Transportation	1,154	-	-	-	1,154	-
Utility	-	-	1,141,657	1,250,805	1,141,657	1,250,805
Interest	-	-	-	-	-	-
Total Program Expenses	<u>2,102,388</u>	<u>1,654,898</u>	<u>1,141,657</u>	<u>1,250,805</u>	<u>3,244,045</u>	<u>2,905,703</u>
<b>CHANGE IN NET POSITION</b>						
Net Position, Beginning	948,102	1,270,676	361,397	184,035	1,309,499	1,454,711
	<u>6,237,479</u>	<u>4,966,803</u>	<u>5,585,109</u>	<u>5,401,074</u>	<u>11,822,588</u>	<u>10,367,877</u>
<b>NET POSITION, ENDING</b>	<b><u>7,185,581</u></b>	<b><u>6,237,479</u></b>	<b><u>5,946,506</u></b>	<b><u>5,585,109</u></b>	<b><u>13,132,087</u></b>	<b><u>11,822,588</u></b>

### Financial Analysis of the Town's Funds

The Town uses Fund Accounting to ensure and demonstrate compliance with finance-related legal requirements. The primary focus of Fund Accounting is accountability.

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

General Fund – The General Fund went from a balance of \$3,101,288 to \$3,986,271. This increase is principally the result of governmental activity operating revenue sources exceeding operating costs. Total revenues increased by \$121,621. Expenditures increased by \$281,024.

Town of Fairplay  
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**Proprietary Fund** – The Proprietary Fund has historically operated as an Enterprise Fund using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the business-type activities of the Town as a whole. The Proprietary Fund Statements, however, will provide a greater level of detail than the information found in the Government-Wide Statements.

Utility Fund – Utility Fund net position increased by \$361,397.

Internal Service Fund – The Internal Service Fund was created in 2015 and is used for the purchase of vehicles and equipment used by the Town. The ending Net Position is \$559,103.

**Capital Assets**

Approximately 31% of the Town's Capital Assets support governmental activities. Most of the value is comprised of land, buildings, and other improvements.

	<b>Balance 1/1/23</b>	<b>Additions</b>	<b>Deletions &amp; Transfers</b>	<b>Balance 12/31/23</b>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 654,960	\$ -	\$ -	\$ 654,960
Construction in progress	<u>248,828</u>	<u>-</u>	<u>-</u>	<u>248,828</u>
Total capital assets not being depreciated	<u>903,788</u>	<u>-</u>	<u>-</u>	<u>903,788</u>
Capital assets being depreciated:				
Buildings and Improvements	995,746	36,483	-	1,032,229
Infrastructure	690,828	-	-	690,828
Streets Vehicles and Equipment	287,904	8,523	-	296,427
Police Vehicles and Equipment	136,978	-	-	136,978
Office Equipment & Software	17,390	-	-	17,390
Improvements - Parks	492,645	-	-	492,645
Equipment - Parks and Recreation	297,788	-	-	297,788
Equipment - Fleet	<u>521,082</u>	<u>67,931</u>	<u>-</u>	<u>589,013</u>
Total capital assets being depreciated	<u>3,440,361</u>	<u>112,937</u>	<u>-</u>	<u>3,553,298</u>
Less accumulated depreciation for:				
Buildings and Improvements	(236,954)	(22,250)	-	(259,204)
Infrastructure	(331,865)	(23,347)	-	(355,212)
Streets Vehicles and Equipment	(218,529)	(6,965)	-	(225,494)
Police Vehicles and Equipment	(97,034)	(6,536)	-	(103,570)
Office Equipment & Software	(13,718)	(2,448)	-	(16,166)
Improvements - Parks	(249,571)	(17,327)	-	(266,898)
Equipment - Parks and Recreation	(127,619)	(11,736)	-	(139,355)
Equipment - Fleet	<u>(120,128)</u>	<u>(52,144)</u>	<u>-</u>	<u>(172,272)</u>
Total Accumulated Depreciation	<u>(1,395,418)</u>	<u>(142,753)</u>	<u>-</u>	<u>(1,538,171)</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 2,948,731</u></b>	<b><u>\$ (29,816)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,918,915</u></b>

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The Town's Business-Type Activities Capital Assets consist of investments in its utility-related infrastructure and associated equipment.

	<u>Balance 1/1/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/23</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 138,112	\$ -	\$ -	\$ 138,112
Construction in progress	138,123	145,886	-	284,009
Total capital assets not being depreciated	<u>276,235</u>	<u>145,886</u>	<u>-</u>	<u>422,121</u>
Capital assets being depreciated:				
Buildings	253,639	-	-	253,639
Machinery & Equipment	385,623	-	-	385,623
Software and Meter Reading System	157,967	-	-	157,967
Transmission System & Lines	3,362,632	13,330	-	3,375,962
Water Treatment Plant	1,022,484	-	-	1,022,484
Sewer Treatment Plant	3,646,973	13,385	-	3,660,358
Galley System	604,409	-	-	604,409
Ditch/Drainage System	52,822	-	-	52,822
Fire Hydrants	58,878	7,131	-	66,009
Total capital assets being depreciated	<u>9,545,427</u>	<u>33,846</u>	<u>-</u>	<u>9,579,273</u>
Less accumulated depreciation for:				
Buildings	(102,668)	(7,196)	-	(109,864)
Machinery & Equipment	(167,942)	(17,708)	-	(185,650)
Software and Meter Reading System	(157,966)	-	-	(157,966)
Transmission System & Lines	(1,281,393)	(60,682)	-	(1,342,075)
Water Treatment Plant	(348,835)	(27,245)	-	(376,080)
Sewer Treatment Plant	(654,067)	(148,320)	-	(802,387)
Galley System	(602,736)	(348)	-	(603,084)
Ditch/Drainage System	(22,410)	(1,218)	-	(23,628)
Fire Hydrants	(23,014)	(2,146)	-	(25,160)
Total Accumulated Depreciation	<u>(3,361,031)</u>	<u>(264,863)</u>	<u>-</u>	<u>(3,625,894)</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 6,460,631</u></b>	<b><u>\$ (85,131)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,375,500</u></b>

**Long-Term Debt**

The Town's governmental long-term debt consists of capital leases and accrued compensated absences (paid time off balances) payable.

<b>Governmental Activities:</b>	<u>Balance 1/1/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/23</u>	<u>Due Within One Year</u>	<u>Interest Expense</u>
Capital Lease Payable	\$ 3,352	\$ -	\$ 2,665	\$ 687	\$ 687	\$ 107
Net Pension Liability	-	-	-	-	-	-
Accrued Compensated Absences	32,191	2,823	-	35,014	-	-
<b>Total</b>	<b><u>\$ 35,543</u></b>	<b><u>\$ 2,823</u></b>	<b><u>\$ 2,665</u></b>	<b><u>\$ 35,701</u></b>	<b><u>\$ 687</u></b>	<b><u>\$ 107</u></b>

The Town's business-type activities long-term debt consists of various bonds and notes payable that were used for utility system improvements.

<b>Business-type Activities:</b>	<u>Balance 1/1/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/23</u>	<u>Due Within One Year</u>	<u>Interest Expense</u>
2018 Vectra Note Payable	\$ 2,681,600	\$ -	\$ 231,000	\$ 2,450,600	\$ 238,400	\$ 86,209
Accrued Compensated Absences	10,316	-	1,809	8,507	-	-
<b>Total</b>	<b><u>\$ 2,691,916</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 232,809</u></b>	<b><u>\$ 2,459,107</u></b>	<b><u>\$ 238,400</u></b>	<b><u>\$ 86,209</u></b>

## **General Fund Budget**

The General Fund accounts for all the general government services provided by the Town of Fairplay including Public Safety (Police), Public Works, Parks and Recreation, and other General Government services. The Town's General Fund revenues were more than budgeted by \$4,669. The Town's expenditures were \$208,136 less than budgeted.

## **Economic Factors and Future Budgets and Rates**

During the 2023 budgeting process, the factors considered for increased revenue were a prediction of increased sales tax revenue due to new businesses opening and a consistent overall increase of sales tax revenue from already existing businesses. Expenditures were budgeted based on the completion of planned capital projects and the general operation of the town.

## **Request for Information**

The financial statements are designed to provide information for regulatory reporting to federal and state agencies and those with an interest in the Town's finances. Questions concerning this or any additional information should be addressed to Town Treasurer, Town of Fairplay, P.O. Box 267, Fairplay, CO 80440.

# Mayberry & Company, LLC

## Certified Public Accountants

Member of the American Institute of Certified Public Accountants  
Governmental Audit Quality Center  
and Private Company Practice Section

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Board of Trustees  
Town of Fairplay  
Fairplay, Colorado

### **Independent Auditors' Report**

#### ***Opinion***

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 Town of Fairplay, as of and for the year ended December 31, 2023, and the related notes to the financial statements which collectively comprise Town of Fairplay's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Fairplay 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 Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Town of Fairplay and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Town of Fairplay's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditors' Responsibility for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, 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 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 Town of Fairplay'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 Town of Fairplay'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.

***Report on Summarized Comparative Information***

We have previously audited the Town of Fairplay's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 2, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Required Supplementary Information***

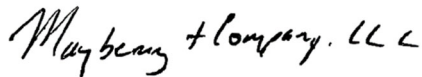
Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, budgetary comparison information, historical pension information and other post -employment benefit plan information listed in the tables of contents be presented to supplement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

**Supplementary Information**

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

**Report on Other Legal and Regulatory Requirements**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Local Highway Finance Report is presented for purposes of legal compliance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.



Englewood, Colorado  
October 7, 2024

## ***BASIC FINANCIAL STATEMENTS***

The Basic Financial Statements provide a financial overview of the Town's operations. These financial statements present the financial position, operating results, and cash flows, where applicable, of all funds and activities as of December 31, 2023.

**TOWN OF FAIRPLAY, COLORADO**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2023**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Cash	\$ 439,183	\$ 372,150	\$ 811,333
Investments	3,425,324	1,257,403	4,682,727
Restricted Cash and Investments	229,843	245,060	474,903
Receivables			
Intergovernmental Receivables	341,101	-	341,101
Utility Receivable	-	98,618	98,618
Cash with Fiscal Agent	2,080	300,150	302,230
Other Receivables	17,965	-	17,965
Prepaid Expenses	20,961	-	20,961
Total Current Assets	<u>4,476,457</u>	<u>2,273,381</u>	<u>6,749,838</u>
<b>Noncurrent Assets</b>			
Capital Assets not being Depreciated	903,788	422,121	1,325,909
Capital Assets being Depreciated	3,553,297	9,579,273	13,132,570
Accumulated Depreciation	<u>(1,538,170)</u>	<u>(3,625,894)</u>	<u>(5,164,064)</u>
Total Noncurrent Assets	<u>2,918,915</u>	<u>6,375,500</u>	<u>9,294,415</u>
TOTAL ASSETS	<u>7,395,372</u>	<u>8,648,881</u>	<u>16,044,253</u>
<b>DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>			
Deferred Pension Outflows	<u>278,048</u>	<u>-</u>	<u>278,048</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 7,673,420</u>	<u>\$ 8,648,881</u>	<u>\$ 16,322,301</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 42,565	\$ 99,664	\$ 142,229
Accrued Liabilities	33,849	-	33,849
Accrued Salaries and Benefits	19,895	3,720	23,615
Deposits and Escrow	3,600	-	3,600
Accrued Interest Payable	<u>-</u>	<u>3,460</u>	<u>3,460</u>
Total Current Liabilities	<u>99,909</u>	<u>106,844</u>	<u>206,753</u>
<b>Noncurrent Liabilities</b>			
Due within one year	687	238,400	239,087
Due in more than one year	59,664	2,357,131	2,416,795
Total Noncurrent Liabilities	<u>60,351</u>	<u>2,595,531</u>	<u>2,655,882</u>
TOTAL LIABILITIES	<u>160,260</u>	<u>2,702,375</u>	<u>2,862,635</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>			
Net Pension Deferred Inflows	113,827	-	113,827
Deferred Grants	197,812	-	197,812
Other Deferred Inflows	<u>15,940</u>	<u>-</u>	<u>15,940</u>
TOTAL DEFERRED INFLOWS	<u>327,579</u>	<u>-</u>	<u>327,579</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,918,228	3,788,476	6,706,704
Restricted Net Position	122,431	245,060	367,491
Unrestricted Net Position	<u>4,144,922</u>	<u>1,912,970</u>	<u>6,057,892</u>
TOTAL NET POSITION	<u>7,185,581</u>	<u>5,946,506</u>	<u>13,132,087</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 7,673,420</u>	<u>\$ 8,648,881</u>	<u>\$ 16,322,301</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF FAIRPLAY**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>PROGRAM REVENUES</b>			
	<b>EXPENSES</b>	<b>CHARGES FOR SERVICES</b>	<b>OPERATING GRANTS AND CONTRIBUTIONS</b>	<b>CAPITAL GRANTS</b>
<b>FUNCTIONS/PROGRAMS</b>				
<b>Government Activities</b>				
Current:				
General Government	\$ 737,636	\$ 126,502	\$ 24,112	\$ -
Public Safety	537,567	12,778	-	-
Public Works	575,086	52,007	45,368	-
Transportation	1,154	-	-	-
Culture and Recreation	<u>250,945</u>	<u>34,443</u>	<u>12,152</u>	-
TOTAL GOVERNMENT ACTIVITIES	2,102,388	225,730	81,632	-
<b>Business-type Activities</b>				
Current:				
Utility	<u>1,141,657</u>	<u>1,088,362</u>	<u>163,306</u>	<u>170,361</u>
TOTAL GOVERNMENT	<u>\$ 3,244,045</u>	<u>\$ 1,314,092</u>	<u>\$ 244,938</u>	<u>\$ 170,361</u>
<b>GENERAL REVENUES</b>				
Property Taxes				
Specific Ownership Taxes				
Sales Taxes				
Franchise Taxes				
Other Taxes				
Interest Income				
Other Revenues				
TOTAL GENERAL REVENUES AND TRANSFERS				
<b>CHANGE IN NET POSITION</b>				
<b>NET POSITION - Beginning</b>				
<b>NET POSITION - Ending</b>				

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

**NET (EXPENSE) REVENUE AND  
CHANGES IN NET POSITION**

<b>GOVERNMENT ACTIVITIES</b>	<b>BUSINESS - TYPE ACTIVITES</b>	<b>TOTAL</b>
\$ (587,022)	\$ -	\$ (587,022)
(524,789)	-	(524,789)
(477,711)	-	(477,711)
(1,154)	-	(1,154)
<u>(204,350)</u>	<u>-</u>	<u>(204,350)</u>
(1,795,026)	-	(1,795,026)
<u>-</u>	<u>280,372</u>	<u>280,372</u>
<u>(1,795,026)</u>	<u>280,372</u>	<u>(1,514,654)</u>
236,521	-	236,521
28,947	-	28,947
2,129,221	-	2,129,221
84,998	-	84,998
49,757	-	49,757
161,037	81,025	242,062
<u>52,647</u>	<u>-</u>	<u>52,647</u>
<u>2,743,128</u>	<u>81,025</u>	<u>2,824,153</u>
948,102	361,397	1,309,499
<u>6,237,479</u>	<u>5,585,109</u>	<u>11,822,588</u>
<u>\$ 7,185,581</u>	<u>\$ 5,946,506</u>	<u>\$ 13,132,087</u>

**TOWN OF FAIRPLAY, COLORADO**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**DECEMBER 31, 2023**

**With Comparative Totals for December 31, 2022**

	<b>General</b>	<b>Other</b>	<b>Total</b>	
	<b>Fund</b>	<b>Funds</b>	<b>2023</b>	<b>2022</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments				
Cash	\$ 296,821	\$ -	\$ 296,821	\$ (229,554)
Investments	3,425,324	-	3,425,324	3,034,778
Restricted Cash and Investments	198,412	31,431	229,843	252,025
Receivables				
Property Tax Receivable	-	-	-	236,805
Intergovernmental Receivables	341,101	-	341,101	333,938
Cash with Fiscal Agent	2,080	-	2,080	2,454
Other Receivables	17,965	-	17,965	16,305
Prepaid Expenses	<u>20,961</u>	<u>-</u>	<u>20,961</u>	<u>16,756</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,302,664</u></b>	<b><u>\$ 31,431</u></b>	<b><u>\$ 4,334,095</u></b>	<b><u>\$ 3,663,507</u></b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 42,565	\$ -	\$ 42,565	\$ 28,241
Accrued Liabilities	33,849	-	33,849	19,326
Accrued Salaries and Benefits	19,895	-	19,895	11,257
Deposits and Escrow	<u>3,600</u>	<u>-</u>	<u>3,600</u>	<u>300</u>
<b>TOTAL LIABILITIES</b>	<b><u>99,909</u></b>	<b><u>-</u></b>	<b><u>99,909</u></b>	<b><u>59,124</u></b>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>				
Deferred Property Taxes	-	-	-	236,805
Deferred Grants	197,812	-	197,812	214,112
Other Deferred Inflows	<u>15,940</u>	<u>-</u>	<u>15,940</u>	<u>14,565</u>
<b>TOTAL DEFERRED INFLOWS</b>	<b><u>213,752</u></b>	<b><u>-</u></b>	<b><u>213,752</u></b>	<b><u>465,482</u></b>
<b>FUND BALANCE</b>				
Nonspendable Fund Balance	20,961	-	20,961	16,756
Restricted Fund Balance	91,000	31,431	122,431	125,613
Unassigned Fund Balance	<u>3,877,042</u>	<u>-</u>	<u>3,877,042</u>	<u>2,996,532</u>
<b>TOTAL FUND BALANCE</b>	<b><u>3,989,003</u></b>	<b><u>31,431</u></b>	<b><u>4,020,434</u></b>	<b><u>3,138,901</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b><u>\$ 4,302,664</u></b>	<b><u>\$ 31,431</u></b>	<b><u>\$ 4,334,095</u></b>	<b><u>\$ 3,663,507</u></b>

The accompanying notes are an integral part of these financial statements.

**TOWN OF FAIRPLAY, COLORADO**

**RECONCILIATION OF GOVERNMENTAL FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES NET POSITION  
DECEMBER 31, 2023**

<b>Fund Balance - Governmental Funds</b>		\$ 4,020,434
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 903,788	
Capital assets, being depreciated	2,964,285	
Accumulated depreciation	<u>(1,365,899)</u>	2,502,174
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
Net deferred FPPA pension outflows	278,048	
Net FPPA pension liability	(24,650)	
Net deferred FPPA pension inflows	<u>(113,827)</u>	139,571
Internal Service operations primarily benefit Governmental Activities		
Internal Service Fund Net Position		559,103
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Capital leases payable	(687)	
Accrued compensated absences	<u>(35,014)</u>	<u>(35,701)</u>
<b>Total Net Position - Governmental Activities</b>		<b><u>\$ 7,185,581</u></b>

The accompanying notes are an integral part of these financial statements.

**TOWN OF FAIRPLAY, COLORADO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**With Comparative Totals for the Year Ended December 31, 2022**

	<b>General</b>	<b>Other</b>	<b>TOTAL</b>	
	<b>Fund</b>	<b>Funds</b>	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>				
Taxes	\$ 2,529,444	\$ -	\$ 2,529,444	\$ 2,480,134
Intergovernmental Revenues	68,879	5,146	74,025	193,931
Licenses and Permits	76,226	-	76,226	56,360
Fines and Forfeits	12,648	-	12,648	9,472
Charges for Services	136,856	-	136,856	115,458
Investment Earnings	160,941	97	161,038	38,011
Other Revenues	60,253	-	60,253	32,208
TOTAL REVENUES	<u>3,045,247</u>	<u>5,243</u>	<u>3,050,490</u>	<u>2,925,574</u>
<b>EXPENDITURES</b>				
Current:				
General Government	665,830	-	665,830	459,414
Public Safety	529,279	-	529,279	516,001
Public Works	312,569	-	312,569	284,336
Transportation	1,154	-	1,154	-
Parks, Recreation and Other	195,142	-	195,142	115,028
Internal Charges	90,801	-	90,801	74,492
Capital Outlay	362,757	11,425	374,182	428,237
TOTAL EXPENDITURES	<u>2,157,532</u>	<u>11,425</u>	<u>2,168,957</u>	<u>1,877,508</u>
<b>NET CHANGE IN FUND BALANCE - GAAP BASIS</b>	887,715	(6,182)	881,533	1,048,066
<b>FUND BALANCE, BEGINNING</b>	<u>3,101,288</u>	<u>37,613</u>	<u>3,138,901</u>	<u>2,090,835</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 3,989,003</u>	<u>\$ 31,431</u>	<u>\$ 4,020,434</u>	<u>\$ 3,138,901</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF FAIRPLAY, COLORADO**

**RECONCILIATION OF GOVERNMENTAL FUNDS CHANGE IN FUND BALANCE  
TO GOVERNMENTAL ACTIVITIES CHANGE IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>Change in Fund Balance - Governmental Funds</b>		\$ 881,533
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	\$ 45,006	
Depreciation Expense	<u>(90,609)</u>	(45,603)
Internal Service operations primarily benefit Governmental Activities		
Change in net position - Internal Service Funds		62,943
Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
Change in deferred pension outflows	178,174	
Change in net pension liability/ asset	(155,099)	
Change in deferred pension inflows	<u>26,075</u>	49,150
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Principal payments on capital leases	2,665	
Change in accrued interest payable	237	
Change in accrued compensated absences	<u>(2,823)</u>	<u>79</u>
<b>Change in Net Position - Governmental Activities</b>		<b><u>\$ 948,102</u></b>

The accompanying notes are an integral part of these financial statements.

**TOWN OF FAIRPLAY, COLORADO**

**STATEMENT OF NET POSITION**

**PROPRIETARY FUNDS**

**DECEMBER 31, 2023**

**With Comparative Totals for December 31, 2022**

	<b>Business-type</b>		<b>Govt</b>	
	<b>Activities</b>		<b>Activities</b>	
	<b>Utility</b>	<b>Internal</b>	<b>Total</b>	
<b>Fund</b>	<b>Service</b>	<b>2023</b>	<b>2022</b>	
	<b>Funds</b>			
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments				
Cash	\$ 372,150	\$ 142,362	\$ 514,512	\$ 246,718
Investments	1,257,403	-	1,257,403	1,235,248
Restricted Cash and Investments	245,060	-	245,060	290,530
Receivables				
Intergovernmental Receivables	-	-	-	83,531
Utility Receivable	98,618	-	98,618	91,487
Cash with Fiscal Agent	300,150	-	300,150	-
Total Current Assets	<u>2,273,381</u>	<u>142,362</u>	<u>2,415,743</u>	<u>1,947,514</u>
<b>Noncurrent Assets</b>				
Capital Assets not being depreciated	422,121	-	422,121	276,235
Capital Assets being depreciated	9,579,273	589,012	10,168,285	10,066,509
Accumulated Depreciation	<u>(3,625,894)</u>	<u>(172,271)</u>	<u>(3,798,165)</u>	<u>(3,481,159)</u>
Total Noncurrent Assets	<u>6,375,500</u>	<u>416,741</u>	<u>6,792,241</u>	<u>6,861,585</u>
TOTAL ASSETS	<u>\$ 8,648,881</u>	<u>\$ 559,103</u>	<u>\$ 9,207,984</u>	<u>\$ 8,809,099</u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 99,664	\$ -	\$ 99,664	\$ 29,182
Accrued Salaries and Benefits	3,720	-	3,720	2,925
Accrued Interest Payable	3,460	-	3,460	3,807
Total Current Liabilities	<u>106,844</u>	<u>-</u>	<u>106,844</u>	<u>35,914</u>
<b>Noncurrent Liabilities</b>				
Due within one year	238,400	-	238,400	223,700
Due in more than one year	<u>2,357,131</u>	<u>-</u>	<u>2,357,131</u>	<u>2,468,216</u>
Total Noncurrent Liabilities	<u>2,595,531</u>	<u>-</u>	<u>2,595,531</u>	<u>2,691,916</u>
TOTAL LIABILITIES	<u>2,702,375</u>	<u>-</u>	<u>2,702,375</u>	<u>2,727,830</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>				
<b>NET POSITION</b>				
Net Investment in Capital Assets	3,788,476	416,741	4,205,217	4,179,985
Restricted Net Position	245,060	-	245,060	268,160
Unrestricted Net Position	<u>1,912,970</u>	<u>142,362</u>	<u>2,055,332</u>	<u>1,633,124</u>
TOTAL NET POSITION	<u>5,946,506</u>	<u>559,103</u>	<u>6,505,609</u>	<u>6,081,269</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 8,648,881</u>	<u>\$ 559,103</u>	<u>\$ 9,207,984</u>	<u>\$ 8,809,099</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF FAIRPLAY, COLORADO**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**With Comparative Totals for the Year Ended December 31, 2022**

	Business-type		Govt	
	Activities		Activities	
	Utility	Internal	Total	
	Fund	Service	2023	2022
		Funds		
<b>Operating Revenues</b>				
Utility Charges	\$ 1,071,240	\$ -	\$ 1,071,240	\$ 1,049,565
Internal Charges	-	112,087	112,087	97,712
Other Charges for Services	17,122	-	17,122	17,111
Total Revenues	<u>1,088,362</u>	<u>112,087</u>	<u>1,200,449</u>	<u>1,164,388</u>
<b>Operating Expenses</b>				
Management Fees/Internal Charges	33,682	-	33,682	35,617
Personnel Services	203,453	-	203,453	273,353
Administrative/Office Expenses	21,604	-	21,604	26,216
Insurance	14,714	-	14,714	16,107
Operating Supplies	21,337	-	21,337	26,473
Professional Fees	113,412	-	113,412	119,407
Repairs and Maintenance	240,707	-	240,707	246,978
Travel and Training	4,003	-	4,003	1,074
Telephone and Utilities	92,630	-	92,630	106,321
Other Operating Expenses	9,669	-	9,669	9,619
Depreciation Expense	264,863	52,144	317,007	309,730
Other Capital Outlay	35,032	-	35,032	26,010
Total Expenditures	<u>1,055,106</u>	<u>52,144</u>	<u>1,107,250</u>	<u>1,196,905</u>
Operating Income (Loss)	<u>33,256</u>	<u>59,943</u>	<u>93,199</u>	<u>(32,517)</u>
<b>Other Income (Expense)</b>				
Intergovernmental Revenue	163,306	-	163,306	-
Investment Earnings	81,025	-	81,025	22,666
Interest Expense	(86,551)	-	(86,551)	(93,270)
Gain (Loss) on Sale of Assets	-	3,000	3,000	-
Total Other Income (Expense)	<u>157,780</u>	<u>3,000</u>	<u>160,780</u>	<u>(70,604)</u>
Net Income (Loss)	<u>191,036</u>	<u>62,943</u>	<u>253,979</u>	<u>(103,121)</u>
<b>Contributed Capital</b>				
Plant Investment Fees	<u>8,351</u>	-	<u>8,351</u>	<u>345,498</u>
Intergovernmental Revenue	<u>162,010</u>	-	<u>162,010</u>	-
<b>Change in Net Position</b>	<u>361,397</u>	<u>62,943</u>	<u>424,340</u>	<u>242,377</u>
<b>Net Position, Beginning</b>	<u>5,585,109</u>	<u>496,160</u>	<u>6,081,269</u>	<u>5,838,892</u>
<b>Net Position, Ending</b>	<u>\$ 5,946,506</u>	<u>\$ 559,103</u>	<u>\$ 6,505,609</u>	<u>\$ 6,081,269</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF FAIRPLAY**

**STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
With Comparative Totals for the Year Ended December 31, 2022**

	<b>Business-type</b>		<b>Govt</b>	
	<b>Activities</b>		<b>Activities</b>	
	<b>Utility</b>	<b>Internal</b>	<b>Total</b>	
<b>Fund</b>	<b>Service</b>	<b>2023</b>	<b>2022</b>	
	<b>Funds</b>			
<b>Cash Flows From Operating Activities:</b>				
Cash Received from Customers	\$ 1,081,232	\$ -	\$ 1,081,232	\$ 1,070,596
Cash Received from Interfund Services Provided	-	112,087	112,087	97,712
Cash Paid to Suppliers	(535,583)	-	(535,583)	(1,042,383)
Cash Paid for Interfund Services	(33,682)	-	(33,682)	(35,617)
Cash Paid to Employees	(151,511)	-	(151,511)	205,152
Net Cash Provided by Operating Activities	360,456	112,087	472,543	295,460
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Tap Fees Received	8,351	-	8,351	345,498
Debt Principal Payments	(94,576)	-	(94,576)	(223,700)
Grant Proceeds	408,847	-	408,847	(83,531)
Interest Payments	(86,898)	-	(86,898)	(93,588)
Proceeds of Capital Asset Sales	-	2,999	2,999	-
Acquisition of Capital Assets	(179,732)	(67,930)	(247,662)	(340,328)
Cash Flows Used by Capital and Related Financing Activities	55,992	(64,931)	(8,939)	(395,649)
<b>Cash Flows (Uses) From Noncapital Financing Activities:</b>				
Tax Revenue	(300,150)	-	(300,150)	-
<b>Cash Flows (Uses) From Investing Activities:</b>				
Interest Received	81,025	-	81,025	22,666
<b>Net Increase (Decrease) in Cash</b>	197,323	47,156	244,479	(77,523)
<b>Cash - Beginning</b>	1,677,290	95,206	1,772,496	1,850,019
<b>Cash - Ending</b>	\$ 1,874,613	\$ 142,362	\$ 2,016,975	\$ 1,772,496
Cash	\$ 372,150	\$ 142,362	\$ 514,512	\$ 246,718
Investments	1,257,403	-	1,257,403	1,235,248
Restricted Cash and Investments	245,060	-	245,060	290,530
<b>Total</b>	\$ 1,874,613	\$ 142,362	\$ 2,016,975	\$ 1,772,496
<b>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities:</b>				
Operating Income (Loss)	\$ 33,256	\$ 59,943	\$ 93,199	\$ (32,517)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	264,863	52,144	317,007	309,730
Changes in Assets and Liabilities Related to Operations:				
(Increase) Decrease in:				
Utility Receivable	(7,130)	-	(7,130)	3,920
(Increase) Decrease in:				
Accounts Payable	70,480	-	70,480	13,974
Accrued Salaries and Benefits	795	-	795	(348)
Accrued Compensated Absences	(1,808)	-	(1,808)	701
<b>Total Adjustments</b>	327,200	52,144	379,344	327,977
<b>Net Cash Used for Operating Activities</b>	\$ 360,456	\$ 112,087	\$ 472,543	\$ 295,460

The accompanying notes are an integral part of these financial statements.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

**REPORTING ENTITY**

The Town is a political subdivision of the State of Colorado governed by a five member board of trustees. The Town is a full-service entity providing public safety, public works, and parks services as well as providing water and sewer services.

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Town holds the corporate powers of the organization
- The Town appoints a voting majority of the organization's board
- The Town is able to impose its will on the organization
- The organization has the potential to impose a financial benefit or burden on the Town
- There is fiscal dependency by the organization on the Town

Based upon the application of these criteria, no additional organizations are includable within the Town's reporting entity.

**BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental and proprietary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS**

The fund financial statements provide information about the government’s funds. Separate statements for each fund category, governmental and proprietary, are presented. 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 are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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

**General Fund**

The General Fund uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Certain service fees and non-tax revenues are recognized when received or billed. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal sources of revenues are property and sales taxes. Principal expenditures are for police protection, public works, parks and recreations and Town administration.

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

**Special Revenue Fund**

This fund accounts for revenues derived from specific taxes or other designated revenues that are legally restricted to expenditures for specific purposes. The Town’s special revenue fund is as follows:

**Conservation Trust Fund (Nonmajor)**

This fund accounts for funds received through the State of Colorado Lottery/Conservation Trust Fund program. These funds are required to be spent on parks and recreation.

**Proprietary Fund**

The Town also reports the following proprietary funds:

**Utility Fund**

This fund is used to account for operations that are financed and run more similarly to a private business. In these funds the costs of providing services to the public is based on and financed through user fees and charges related to the specific operation of water and sewer services.

**Internal Service Funds – Internal Service Fund (Nonmajor)**

This fund accounts for the purchase and maintenance of vehicles used by the Town.

## TOWN OF FAIRPLAY, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

##### **BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS** (Continued)

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

##### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide 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 a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING** (Continued)

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**BUDGETS AND BUDGETARY ACCOUNTING**

Budgets were adopted for all funds. Budgets are prepared on the same basis of accounting as that used for accounting purposes. In the budget versus actual statements, the actual results of operations are presented on the budgetary basis of accounting for proper comparison to the budget.

Budgets are adopted based on the requirements of state statutes. The following timetable is used:

- Submission of the proposed budget to the Board of Trustees by October 15 of each year.
- Certification of mill levies to the County Commissioners by December 15 of each year.
- Final adoption of the budget and appropriations by December 31 of each year.

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE**

**Cash and Equivalents**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Allowance for Doubtful Accounts**

Based upon a review of the existing accounts receivable and the fact that any uncollectible utility receivables can be certified to the County Treasurer as such and attached to the tax rolls, no allowance for doubtful accounts is provided.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE** (Continued)

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Town did not retroactively report infrastructure when those accounting standards were adopted.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives.

Buildings	10 – 50 years
Infrastructure	20 years
Vehicles	5 – 10 years
Machinery and Equipment	3 – 20 years
Water System	15 – 100 years

**Accumulated Unused Leave/Compensated Absences**

The Town permits an employee to carry over unused personal leave to the next calendar year. The Town will compensate an employee for any unused personal time up to the allowable maximum upon termination or resignation. The Town has reported the change in liability for unused personal time in Note 4.

**Deferred Outflows and Inflows of Resources**

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows related to pension liabilities as further described in Note 5.

## TOWN OF FAIRPLAY, COLORADO

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)**

##### **Deferred Outflows and Inflows of Resources (Continued)**

In addition to liabilities, the statement of financial position and governmental balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element 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 reports several items, one of which arises both under the full accrual and modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, deferred inflows related to property taxes and prepaid business licenses, is reported in both the governmental activities statement of net position and in the governmental funds balance sheet. 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. Business licenses will be reported as revenue in the subsequent year to match the period the license is for. In addition, the Town reports deferred inflows related to pension liabilities as further described in Note 5.

##### **Net Position/Fund Equity**

In the government-wide financial statements and for the proprietary fund statements, net position is 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.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Amounts are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Trustees, reported and at their highest level of action are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION/FUND BALANCE (Continued)**

**Net Position/Fund Equity (Continued)**

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining governmental balances or deficits in the other governmental funds are presented as unassigned.

**Net Position/Fund Equity Flow Assumptions**

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. 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.

**REVENUES AND EXPENDITURES/EXPENSES**

**Program Revenues**

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**Property Taxes**

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**REVENUES AND EXPENDITURES/EXPENSES**

**Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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. The principal operating revenues of the water fund and internal service fund are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**COMPARATIVE DATA**

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the Town’s financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

**NOTE 2: CASH AND INVESTMENTS**

A summary of cash and investments is as follows:

Cash	\$	1,039,008
Cash on Hand		250
Investments		<u>4,929,706</u>
<b>Total Cash and Investments</b>	<b>\$</b>	<b><u>5,968,964</u></b>

These funds are allocated in the financial statements as follows:

Cash and Investments	\$	5,494,061
Restricted Cash and Investments		<u>474,903</u>
<b>Total Cash and Investments</b>	<b>\$</b>	<b><u>5,968,964</u></b>

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Deposits**

The Town’s deposits and cash held are comprised of the following:

	<u>Bank Balance</u>	<u>Book Balance</u>
FDIC Insured	\$ 250,000	\$ 277,157
Cash held by Others	-	24,982
Petty Cash	-	250
<b>Total Cash</b>	<b><u>\$ 1,121,512</u></b>	<b><u>\$ 1,039,256</u></b>

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government’s deposits may not be returned to it. The Town’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.

**Investments**

Credit Risk

The Town invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are Safety, Liquidity, and Yield.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 2: CASH AND INVESTMENTS** (Continued)

**Investments** (Continued)

Credit Risk (Continued)

The Town Treasurer is responsible for all of the investments of the Town.

Eligible investments shall conform to state law and may include any of the following:

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

During the year ended December 31, 2023, the Town invested funds in the Colorado Surplus Asset Fund (CSAFE) and Colotrust. As investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are 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 pools operate 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. These funds are rated AAAM by the Standard and Poor's Corporation. The \$4,555,441 invested in Colotrust (PRIME) is reported at fair value (net asset value). The CSAFE (Cash Fund) investment of \$28,551 is reported at amortized cost.

	<u>Level 2</u>	<u>Uncategorized</u>	<u>Total</u>	<u>Weighted Average Maturity</u>	<u>Rating</u>
Zion's Bank Mutual Funds	\$ 345,714	\$ -	\$ 345,714	N/A	AAAm
Colotrust Local Government Pool	-	4,555,441	4,555,441	-	AAAm
CSAFE Local Government Pool	-	28,551	28,551	-	AAAmmf
<b>Total Investments</b>	<b><u>\$ 345,714</u></b>	<b><u>\$ 4,583,992</u></b>	<b><u>\$ 4,929,706</u></b>		

Interest Rate Risk

The Town 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 Board of Trustees.

Concentration of Credit Risk

The Town places no limit on the amount that may be invested in any one issuer.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2023, the Town did not have any securities requiring safekeeping.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments (Continued)**

**Restricted Cash and Investments**

The Town has restricted cash and investments as follows:

Restricted - Grants, Donations, Deposits	\$	198,412
Restricted - Conservation Trust		31,431
Restricted - Debt Service Reserve		<u>245,060</u>
<b>Total Restricted Cash</b>		474,903
Unrestricted		<u>5,494,061</u>
<b>Total Cash</b>	\$	<u>5,968,964</u>

**NOTE 3: CAPITAL ASSETS**

Changes in governmental activities capital assets for the year were as follows:

	<u>Balance 1/1/23</u>	<u>Additions</u>	<u>Deletions &amp; Transfers</u>	<u>Balance 12/31/23</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 654,960	\$ -	\$ -	\$ 654,960
Construction in progress	<u>248,828</u>	<u>-</u>	<u>-</u>	<u>248,828</u>
Total capital assets not being depreciated	<u>903,788</u>	<u>-</u>	<u>-</u>	<u>903,788</u>
Capital assets being depreciated:				
Buildings and Improvements	995,746	36,483	-	1,032,229
Infrastructure	690,828	-	-	690,828
Streets Vehicles and Equipment	287,904	8,523	-	296,427
Police Vehicles and Equipment	136,978	-	-	136,978
Office Equipment & Software	17,390	-	-	17,390
Improvements - Parks	492,645	-	-	492,645
Equipment - Parks and Recreation	297,788	-	-	297,788
Equipment - Fleet	<u>521,082</u>	<u>67,931</u>	<u>-</u>	<u>589,013</u>
Total capital assets being depreciated	<u>3,440,361</u>	<u>112,937</u>	<u>-</u>	<u>3,553,298</u>
Less accumulated depreciation for:				
Buildings and Improvements	(236,954)	(22,250)	-	(259,204)
Infrastructure	(331,865)	(23,347)	-	(355,212)
Streets Vehicles and Equipment	(218,529)	(6,965)	-	(225,494)
Police Vehicles and Equipment	(97,034)	(6,536)	-	(103,570)
Office Equipment & Software	(13,718)	(2,448)	-	(16,166)
Improvements - Parks	(249,571)	(17,327)	-	(266,898)
Equipment - Parks and Recreation	(127,619)	(11,736)	-	(139,355)
Equipment - Fleet	<u>(120,128)</u>	<u>(52,144)</u>	<u>-</u>	<u>(172,272)</u>
Total Accumulated Depreciation	<u>(1,395,418)</u>	<u>(142,753)</u>	<u>-</u>	<u>(1,538,171)</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 2,948,731</u></b>	<b><u>\$ (29,816)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,918,915</u></b>

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 3: CAPITAL ASSETS** (Continued)

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

General Government	\$ 33,632
Public Safety	6,536
Public Works	21,378
Parks and Recreation	29,063
Fleet Internal Service Fund	<u>52,144</u>
<b>Total Governmental Activity Depreciation</b>	<b><u>\$ 142,753</u></b>

A summary of business-type activities capital assets at December 31, 2023 is as follows:

	<u>Balance 1/1/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/23</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 138,112	\$ -	\$ -	\$ 138,112
Construction in progress	<u>138,123</u>	<u>145,886</u>	-	<u>284,009</u>
Total capital assets not being depreciated	<u>276,235</u>	<u>145,886</u>	-	<u>422,121</u>
Capital assets being depreciated:				
Buildings	253,639	-	-	253,639
Machinery & Equipment	385,623	-	-	385,623
Software and Meter Reading System	157,967	-	-	157,967
Transmission System & Lines	3,362,632	13,330	-	3,375,962
Water Treatment Plant	1,022,484	-	-	1,022,484
Sewer Treatment Plant	3,646,973	13,385	-	3,660,358
Galley System	604,409	-	-	604,409
Ditch/Drainage System	52,822	-	-	52,822
Fire Hydrants	<u>58,878</u>	<u>7,131</u>	-	<u>66,009</u>
Total capital assets being depreciated	<u>9,545,427</u>	<u>33,846</u>	-	<u>9,579,273</u>
Less accumulated depreciation for:				
Buildings	(102,668)	(7,196)	-	(109,864)
Machinery & Equipment	(167,942)	(17,708)	-	(185,650)
Software and Meter Reading System	(157,966)	-	-	(157,966)
Transmission System & Lines	(1,281,393)	(60,682)	-	(1,342,075)
Water Treatment Plant	(348,835)	(27,245)	-	(376,080)
Sewer Treatment Plant	(654,067)	(148,320)	-	(802,387)
Galley System	(602,736)	(348)	-	(603,084)
Ditch/Drainage System	(22,410)	(1,218)	-	(23,628)
Fire Hydrants	<u>(23,014)</u>	<u>(2,146)</u>	-	<u>(25,160)</u>
Total Accumulated Depreciation	<u>(3,361,031)</u>	<u>(264,863)</u>	-	<u>(3,625,894)</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 6,460,631</u></b>	<b><u>\$ (85,131)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,375,500</u></b>
Water Fund			\$ 75,756	
Sewer Fund			<u>189,107</u>	
<b>Total Business-type Activity Depreciation</b>			<b><u>\$ 264,863</u></b>	

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 4: BONDS, NOTES AND LEASES PAYABLE**

**BUSINESS-TYPE ACTIVITIES**

The following is a schedule of changes in debt for the year ended December 31, 2023:

<b>Business-type Activities:</b>	<b>Balance 1/1/23</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/23</b>	<b>Due Within One Year</b>	<b>Interest Expense</b>
2018 Vectra Note Payable	\$ 2,681,600	\$ -	\$ 231,000	\$ 2,450,600	\$ 238,400	\$ 86,209
Accrued Compensated Absences	10,316	-	1,809	8,507	-	-
<b>Total</b>	<b>\$ 2,691,916</b>	<b>\$ -</b>	<b>\$ 232,809</b>	<b>\$ 2,459,107</b>	<b>\$ 238,400</b>	<b>\$ 86,209</b>

Business-type activity bonds, notes and capital leases payable consist of the following:

**Note Payable – Vectra Bank Note Payable – 2018 – Direct Placement**

On June 27, 2018, the Town issued a note payable in the amount of \$3,745,300 for the acquisition of capital and operations from Fairplay Sanitation District. The note requires semi-annual payments ranging from \$260,495 to \$620,868 on June 15th and December 15th, beginning on December 15, 2018 through December 2031. The notes bear an interest rate of 3.23% per annum. Payments will be made through the Utility Fund. The note is secured by the assets purchased from the Fairplay Sanitation District by the Town.

Principal and Interest Reserve - The note requires the creation of a Principal and Interest Account equal to one sixth of the next scheduled interest payment for the note payable and any parity debt and one twelfth of the next scheduled principal payment for the note payable and any parity debt to be deposited monthly. Since the most recent payment was made on December 15<sup>th</sup>, no requirement exists at year end.

Debt Service Reserve - In addition, the Note requires the establishment of a debt service reserve account equal to the smaller of 10% of the outstanding principal of the Note and related parity debt, the maximum annual debt service of the Note and related parity debt, or 125% of the average annual debt service on the Note and related parity debt. The lesser of the three is scheduled to be the 10% of the Note and parity debt outstanding at year end, or \$245,060 at December 31, 2023.

The following is a summary of required annual debt service payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 238,400	\$ 79,154	\$ 317,554
2025	246,100	71,454	317,554
2026	254,100	63,505	317,605
2027	262,300	55,298	317,598
2028	270,700	46,825	317,525
2029-2031	1,179,000	86,871	1,265,871
<b>Total</b>	<b>\$ 2,450,600</b>	<b>\$ 403,107</b>	<b>\$ 2,853,707</b>

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2023**

**NOTE 4: BONDS, NOTES, AND LEASES PAYABLE (Continued)**

**GOVERNMENTAL ACTIVITIES**

The following is a summary of governmental activity long-term debt.

<b>Governmental Activities:</b>	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>	<b>Interest</b>
	<b>1/1/23</b>	<b>Additions</b>	<b>Deletions</b>	<b>12/31/23</b>	<b>One Year</b>	<b>Expense</b>
Capital Lease Payable	\$ 3,352	\$ -	\$ 2,665	\$ 687	\$ 687	\$ 107
Net Pension Liability	-	-	-	-	-	-
Accrued Compensated Absences	32,191	2,823	-	35,014	-	-
<b>Total</b>	<b>\$ 35,543</b>	<b>\$ 2,823</b>	<b>\$ 2,665</b>	<b>\$ 35,701</b>	<b>\$ 687</b>	<b>\$ 107</b>

**Capital Leases Payable**

In 2019, the Town entered into a capital lease agreement for the purchase of a copier. The lease was for \$12,240, and requires 60 monthly payments of \$231. The lease bears an estimated interest at 5.0%. All payments related to this lease will be made by the General Fund and are included along with monthly maintenance charges in equipment rentals in the financial statements. The Town has capitalized assets with a remaining basis of \$1,224 related to the lease. In the event of non-appropriation and the Town wishes to cancel the lease agreement because: funds are not appropriated for a fiscal period subsequent to the one in which the agreement was entered into which are sufficient to satisfy all of your obligations under the agreement during said fiscal period; such non-appropriation did not result from any act or failure to act of the town; the town has exhausted all funds legally available for all payment due under the agreement; and there is no other legal procedures by which payment can be made to lessor. In receipt of the equipment delivered at the Towns expense, lessor’s remedies for such a default shall be to terminate the lease agreement at the end of the fiscal period during which notice is given; retain the advance payments, if any; and/or sell, dispose of, hold, use or rent the equipment as lessor in its sole discretion may desire, without any duty to account to the Town.

The following is a summary of required annual lease payments:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 687	\$ 6	\$ 693

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 6: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**STATEWIDE DEFINED BENEFIT PLAN (FPPA)**

**Summary of Significant Accounting Policies**

*Pensions.* The Town participates in the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension fund administered by the Fire & Police Pension Association of Colorado ("FPPA"). The net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB have been determined using the accrual basis of accounting as required by the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

*Plan description.* Eligible employees of the Town are provided with pensions through the Statewide Defined Benefit Plan (SWDB) - a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. Plan benefits are specified in Title 31, Articles 30, 30.5 and 31 of the Colorado Revised Statutes (C.R.S.), rules and regulations codified by the Fire and Police Pension Association, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. FPPA issues a publicly available comprehensive annual financial report, that can be obtained at <http://www.FPPAco.org>.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings · for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 6: PENSION PLANS (Continued)**

**STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)**

**General Information about the Pension Plan (Continued)**

The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

Contributions. Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12.0 percent and 9.0 percent, respectively, of pensionable earnings for a total contribution rate of 21.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolutions.

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 6: PENSION PLANS (Continued)**

**STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)**

**General Information about the Pension Plan (Continued)**

Employer contributions are recognized by FPPA in the period in which the compensation becomes payable to the member and the Town is statutorily committed to pay the contributions to FPPA. Employer contributions recognized by the FPPA from the Town were \$21,745 for the plan year ended December 31, 2022 and \$54,071 for the fiscal year ended December 31, 2023. The current year contributions will be expensed in 2024 for FPPA purposes, December 31, 2023 employer contributions for reporting as of December 31, 2024, and are a timing difference at year end.

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

At December 31, 2023, the Town reported a liability of \$24,650 for its proportionate share of the SWDB's net pension liability. The net pension asset or liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The Town's proportion of the net pension liability was based on Town's contributions to the SWDB for the calendar year 2022 relative to the total contributions of participating employers to the SWDB.

At December 31, 2023, the Town's proportion was 0.02777%, which was an increase of 0.00370% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2023, the Town recognized pension expense of \$4,921. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
Difference between expected and actual experience	\$ 44,456	\$ (2,636)
Changes of assumptions or other inputs	\$ 22,585	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 63,982	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 25,751	\$ (43,988)
Contributions subsequent to the measurement date	\$ 54,071	\$ -
<b>Total</b>	<b>\$ 210,845</b>	<b>\$ (46,624)</b>

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 6: PENSION PLANS (Continued)**

**STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)**

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

\$54,071 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an adjustment of the net pension asset in the year ended December 31, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended December 31:</b>	<b>Fiscal year Total</b>
2024	\$ 9,796
2025	21,215
2026	28,987
2027	39,628
2028	3,578
2029-2031	6,946
<b>Total</b>	<b>\$ 110,150</b>

Actuarial assumptions. The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2022. The valuations used the following actuarial assumption and other inputs:

Actuarial method	Entry Age Normal
Amortization method	Level % of Payroll, Open
Amortization period	30 Years
Long-term investment rate of return, net of	7.00%
Salary increase, including wage inflation	4.25%-11.25%
Cost of Living Adjustments (COLA)	0.00%
* Includes inflation at	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 6: PENSION PLANS (Continued)**

**STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)**

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

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2022 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2023. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2022 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Equity	35.00%	8.93%
Equity Long/Short	6.00%	7.47%
Private Markets	34.00%	10.31%
Fixed Income - Rates	10.00%	5.45%
Fixed Income - Credit	5.00%	6.90%
Absolute Return	9.00%	6.49%
Cash	1.00%	3.92%
<b>Total</b>	<b>100.00%</b>	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 6: PENSION PLANS (Continued)**

**STATEWIDE DEFINED BENEFIT PLAN (FPPA) (Continued)**

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 4.05 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Proportionate share of the net pension asset (liability)	\$ (169,932)	\$ (24,650)	\$ 95,691

**Subsequent Event**

Statewide Retirement Plan. During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The Statewide Retirement Plan became the Defined Benefit Component of the Statewide Retirement Plan.

**DEFINED CONTRIBUTION PLAN**

The Town provides pension benefits for all of its regular, full-time non-law enforcement employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

The plan is administered by ICMA Retirement Corporation and covers all full-time Town employees excluding police officers. Employees are eligible to participate immediately. A contractual agreement between the Town and ICMA requires the Town to contribute an amount equal to three percent of all employees' salaries, and a mandatory employee contribution of three percent. The Town's contributions for each employee become fully vested after five years of service. These contributions are paid to ICMA and ICMA administers the plan. The Town made the required contributions of 3.00% for employees amounting to a total of \$18,151 and plan members contributed a total of \$18,151 for the year ending December 31, 2023.

**NOTE 5: EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (Continued)**

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**DEFERRED COMPENSATION PLAN**

The Town has a deferred compensation plan created in accordance with Internal Revenue Code Sec. 457. The plan is administered by ICMA-RC. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary until future years. Employees contributed \$16,307 to this plan for the fiscal year. There were no employer contributions.

**NOTE 6: COMMITMENTS AND CONTINGENCIES**

The Town receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements, and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of the Town, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2023.

**NOTE 7: FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS**

**Tax Spending and Debt Limitations**

On November 3, 1992, the voters of Colorado approved Amendment 1, commonly known as the TABOR Amendment, which added a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado, all local governments, and special districts.

The Town's financial activity for the year ended December 31, 2023 will provide the basis for calculation of future limitations adjusted for allowable increases tied to inflation and local growth. Subsequent to December 31, 1992, revenue in excess of the Town's "spending limit" must be refunded unless voters approve the retention of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases and new debt.

At an April 2, 1996 election, the electors of the Town authorized the Town to collect, retain and expend the full amount of the revenues from all sources during 1996, as well as the full amount of all revenues generated by all sources for each subsequent year. This election authorized the spending of such revenues in each year without limitation under Article X, Section 20 of the Colorado Constitution.

TABOR is extremely complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance. The Town's management believes it is in compliance with the TABOR amendment.

**TOWN OF FAIRPLAY, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2023**

**NOTE 7: FUND BALANCE/NET POSITION APPROPRIATIONS AND RESTRICTIONS**

(Continued)

**Tax Spending and Debt Limitations (Continued)**

The Article requires an emergency reserve be set aside for 2023 in the amount of 3% or more of its fiscal year spending. At December 31, 2023, the Town has reserved the following for emergencies:

\$91,000

Other Restrictions

The Town has also restricted the fund balance in its Conservation Trust Fund as its use is limited by statute. The Town has restricted net position in the Utility Fund for the Debt Service Reserve as disclosed in Note 4.

**NOTE 8: RISK MANAGEMENT**

The Town of Fairplay, Colorado carries insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to, worker's compensation, property and liability, bond, and errors and omissions.

The Town carries all insurance through CIRSA. Risk of loss is transferred to this carrier.

The Town has not materially changed its coverage from previous years. Based on the lack of previous loss occurrences, the Town has not recorded any liability for unpaid claims at December 31, 2023.

**PENSION SCHEDULES**  
**(Required Supplementary Information - Unaudited)**

**TOWN OF FAIRPLAY**

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE  
NET PENSION ASSET (LIABILITY)  
FPPA SWDB Pension Plan  
Last 10 Fiscal Years<sup>(1)</sup>**

<u>Fiscal Year Ended</u>	<u>Town's proportion of the net pension asset (liability)</u>	<u>Town's proportionate share of the net pension asset (liability)</u>	<u>Town's covered payroll</u>	<u>Town's proportionate share of the net pension asset (liability) as a proportion of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2014	0.032846%	\$ 29,370	\$ 142,663	20.59%	105.83%
December 31, 2015	0.002750%	\$ 31,031	\$ 123,650	25.10%	106.83%
December 31, 2016	0.029132%	\$ 514	\$ 141,225	0.36%	100.10%
December 31, 2017	0.029031%	\$ (10,490)	\$ 148,575	7.06%	98.21%
December 31, 2018	0.018066%	\$ 25,991	\$ 105,675	24.60%	106.34%
December 31, 2019	0.011428%	\$ (14,448)	\$ 76,550	-18.87%	95.20%
December 31, 2020	0.030653%	\$ 17,336	\$ 225,925	7.67%	101.90%
December 31, 2021	0.023244%	\$ 50,463	\$ 186,700	27.03%	106.72%
December 31, 2022	0.024071%	\$ 130,449	\$ 205,888	63.36%	116.16%
December 31, 2023	0.027771%	\$ (24,650)	\$ 271,813	-9.07%	97.63%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**TOWN OF FAIRPLAY**

**SCHEDULE OF TOWN CONTRIBUTIONS  
FPPA SWDB Pension Plan  
Last 10 Fiscal Years<sup>(1)</sup>**

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Town's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
December 31, 2014	\$ 11,413	(11,413)	\$ -	\$ 142,663	8.00%
December 31, 2015	\$ 9,892	(9,892)	\$ -	\$ 123,650	8.00%
December 31, 2016	\$ 11,298	(11,298)	\$ -	\$ 141,225	8.00%
December 31, 2017	\$ 11,886	(11,886)	\$ -	\$ 148,575	8.00%
December 31, 2018	\$ 8,454	(8,454)	\$ -	\$ 105,675	8.00%
December 31, 2019	\$ 6,124	\$ (6,124)	\$ -	\$ 76,550	8.00%
December 31, 2020	\$ 18,074	\$ (18,074)	\$ -	\$ 225,925	8.00%
December 31, 2021	\$ 14,936	\$ (14,936)	\$ -	\$ 186,700	8.00%
December 31, 2022	\$ 16,471	\$ (16,471)	\$ -	\$ 205,888	8.00%
December 31, 2023	\$ 21,745	\$ (21,745)	\$ -	\$ 271,813	8.00%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**BUDGETARY COMPARISON SCHEDULES**  
**(Required Supplementary Information)**

TOWN OF FAIRPLAY, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**With Comparative Totals for the Year Ended December 31, 2022**

	<b>2023</b>				<b>2022</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>	
<b>REVENUES</b>					
<b>Taxes</b>					
Property Taxes	\$ 236,805	\$ 236,805	\$ 236,521	\$ (284)	\$ 234,253
Specific Ownership Taxes	25,000	27,000	28,947	1,947	28,861
Sales Taxes	2,092,609	2,136,182	2,129,221	(6,961)	2,088,669
Franchise Taxes	65,000	75,000	84,998	9,998	74,719
Other Taxes	60,500	50,726	49,757	(969)	53,632
Total Tax Revenue	<u>2,479,914</u>	<u>2,525,713</u>	<u>2,529,444</u>	<u>3,731</u>	<u>2,480,134</u>
<b>Intergovernmental Revenues</b>					
Cigarette Taxes	2,000	4,500	4,504	4	3,434
Highway Users	36,468	37,000	38,382	1,382	37,564
Road and Bridge	8,000	8,500	6,986	(1,514)	8,125
Clerk/Motor Vehicle Fees	4,000	3,883	3,887	4	4,200
Mineral Lease	500	1,201	1,201	-	581
Severance Tax	500	13,919	13,919	-	11,679
Federal Grants	197,812	-	-	-	-
State Grants	-	-	-	-	123,699
Other Intergovernmental	750,000	-	-	-	-
Total Intergovernmental Revenue	<u>999,280</u>	<u>69,003</u>	<u>68,879</u>	<u>(124)</u>	<u>189,282</u>
<b>Licenses and Permits</b>					
Liquor Licenses	5,000	4,200	4,159	(41)	5,783
Building Permits	14,020	40,950	38,972	(1,978)	20,268
Annexation/Other P&Z Fees	3,000	2,010	2,010	-	2,575
Animal Licenses	100	130	130	-	98
Business Licenses	3,000	6,250	12,275	6,025	7,100
Other Licenses and Permits	20,725	16,845	18,680	1,835	20,536
Total Licenses and Permits	<u>45,845</u>	<u>70,385</u>	<u>76,226</u>	<u>5,841</u>	<u>56,360</u>
<b>Fines and Forfeits</b>					
	<u>14,310</u>	<u>13,844</u>	<u>12,648</u>	<u>(1,196)</u>	<u>9,472</u>
<b>Charges for Services</b>					
Utility Charges	10,800	10,800	11,025	225	10,931
Recreation/Special Event Charges	41,800	34,400	34,443	43	32,441
Rents	1,500	1,500	1,170	(330)	1,514
Internal Charges	12,397	12,397	12,397	-	12,397
Other Charges for Services	64,592	76,968	77,821	853	58,175
Total Charges for Services	<u>131,089</u>	<u>136,065</u>	<u>136,856</u>	<u>791</u>	<u>115,458</u>
<b>Investment Earnings</b>					
	<u>60,400</u>	<u>158,342</u>	<u>160,941</u>	<u>2,599</u>	<u>37,980</u>
<b>Other Revenues</b>					
Donations	8,000	7,606	7,606	-	5,832
Other Miscellaneous Revenue	11,000	56,888	52,647	(4,241)	26,376
Total Other Revenue	<u>19,000</u>	<u>64,494</u>	<u>60,253</u>	<u>(4,241)</u>	<u>32,208</u>
<b>TOTAL REVENUES</b>	<u>3,749,838</u>	<u>3,037,846</u>	<u>3,045,247</u>	<u>7,401</u>	<u>2,920,894</u>

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**With Comparative Totals for the Year Ended December 31, 2022**

	<b>2023</b>			<b>Variance With Final Budget</b>	<b>2022</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>
(Continued)					
<b>EXPENDITURES</b>					
<b>General Government</b>					
Personnel Services	316,345	319,256	327,836	8,580	177,835
Equipment Rentals	7,100	7,100	6,944	156	4,635
Fuel and Automotive	6,000	6,000	6,000	-	5,885
Insurance	30,707	32,449	32,448	1	27,388
Professional Fees	100,638	86,638	84,323	2,315	54,578
Repairs and Maintenance	25,000	55,000	18,401	36,599	4,817
Supplies	5,000	5,700	5,936	(236)	3,794
Telephone and Utilities	38,000	65,000	20,205	44,795	37,294
Travel and Training	11,500	15,500	14,102	1,398	7,749
ESTIP Agreements	40,000	20,000	20,808	(808)	15,915
Other Expenses	216,150	133,187	128,827	4,360	119,524
Total General Government	<u>796,440</u>	<u>745,830</u>	<u>665,830</u>	<u>97,160</u>	<u>459,414</u>
<b>Public Safety</b>					
Personnel Services	514,478	460,751	429,097	31,654	455,210
Fuel and Automotive	15,000	15,000	10,677	4,323	17,851
Professional Fees	5,000	3,000	2,053	947	2,996
Repairs and Maintenance	11,000	16,000	11,576	4,424	11,388
Supplies	6,500	7,000	6,230	770	4,197
Telephone and Utilities	7,000	7,000	6,735	265	6,663
Travel and Training	5,000	1,050	1,025	25	2,047
Other Expenses	15,036	77,900	61,886	16,014	15,649
Total Public Safety	<u>579,014</u>	<u>587,701</u>	<u>529,279</u>	<u>58,422</u>	<u>516,001</u>
<b>Public Works</b>					
Personnel Services	228,205	212,564	212,980	(416)	212,842
Fuel and Automotive	7,000	7,000	5,560	1,440	6,287
Repairs and Maintenance	34,000	28,000	25,172	2,828	21,385
Supplies	17,000	18,000	17,238	762	16,936
Telephone and Utilities	17,300	17,445	17,365	80	20,958
Travel and Training	2,000	600	382	218	150
Other Expenses	40,000	40,000	33,872	6,128	5,778
Total Public Works/Comm Devel	<u>345,505</u>	<u>323,609</u>	<u>312,569</u>	<u>11,040</u>	<u>284,336</u>
<b>Transportation</b>					
Personnel Services	33,355	-	-	-	-
Fuel and Automotive	11,000	-	-	-	-
Insurance	1,000	1,010	1,010	-	-
Supplies	1,000	-	-	-	-
Telephone and Utilities	1,800	-	24	(24)	-
Travel and Training	900	-	-	-	-
Other Expenses	1,000	100	120	(20)	-
Total Public Works/Comm Devel	<u>50,055</u>	<u>1,110</u>	<u>1,154</u>	<u>(44)</u>	<u>-</u>
<b>Parks, Recreation and Other</b>					
Special Events	135,900	132,855	130,719	2,136	103,595
Repairs and Maintenance	7,000	7,000	34,214	(27,214)	7,539
Supplies	6,000	2,000	1,714	286	2,444
Telephone and Utilities	430	500	16,694	(16,194)	470
Other Expenses	5,000	12,000	11,801	199	980
Total Parks, Recreation & Other	<u>154,330</u>	<u>154,355</u>	<u>195,142</u>	<u>(40,787)</u>	<u>115,028</u>
<b>Internal Charges</b>					
	<u>102,437</u>	<u>99,237</u>	<u>90,801</u>	<u>8,436</u>	<u>74,492</u>

See accompanying Independent Auditors' Report.

TOWN OF FAIRPLAY, COLORADO

**BUDGETARY COMPARISON SCHEDULE**

**General Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**With Comparative Totals for the Year Ended December 31, 2022**

	<b>2023</b>				<b>2022</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>	<b>Actual</b>
(Continued)					
<b>Capital Outlay</b>					
General Government Capital Outlay	535,000	145,000	106,193	38,807	129,698
Public Safety Capital Outlay	10,500	41,665	10,988	30,677	43,508
Public Works Capital Outlay	390,000	250,000	245,576	4,424	254,031
Parks, Recreation and Other Capital Outlay	<u>1,000,000</u>	-	-	-	-
Total Capital Outlay	<u>1,935,500</u>	<u>436,665</u>	<u>362,757</u>	<u>73,908</u>	<u>427,237</u>
<b>Contingency Reserve</b>	-	-	-	-	-
TOTAL EXPENDITURES	<u>3,963,281</u>	<u>2,348,507</u>	<u>2,157,532</u>	<u>208,135</u>	<u>1,876,508</u>
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ (213,443)</u>	<u>\$ 689,339</u>	887,715	<u>\$ 215,536</u>	1,044,386
<b>FUND BALANCE, BEGINNING</b>			<u>3,101,288</u>		<u>2,056,902</u>
<b>FUND BALANCE, ENDING</b>			<u>\$ 3,989,003</u>		<u>\$ 3,101,288</u>

See accompanying Independent Auditors' Report.

**OTHER SUPPLEMENTARY INFORMATION**

**TOWN OF FAIRPLAY, COLORADO**

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**  
**With Comparative Totals for December 31, 2022**

	<b><u>SPECIAL</u></b>		
	<b><u>REVENUE FUNDS</u></b>		
	<b>Conservation Trust</b>	<b>Total</b>	
	<b>Fund</b>	<b>2023</b>	<b>2022</b>
	<hr/>	<hr/>	<hr/>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments			
Restricted Cash and Investments	\$ 31,431	\$ 31,431	\$ 37,613
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>			
<b>FUND BALANCE</b>			
Restricted Fund Balance	\$ 31,431	\$ 31,431	\$ 37,613
	<hr/>	<hr/>	<hr/>

See accompanying Independent Auditors' Report.

**TOWN OF FAIRPLAY, COLORADO**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**With Comparative Totals for the Year Ended December 31, 2022**

	<b>SPECIAL REVENUE FUNDS</b>		
	<b>Conservation Trust</b>	<b>Total</b>	
	<b>Fund</b>	<b>2023</b>	<b>2022</b>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 5,146	\$ 5,146	\$ 4,649
Investment Earnings	97	97	31
<b>TOTAL REVENUES</b>	<u>5,243</u>	<u>5,243</u>	<u>4,680</u>
<b>EXPENDITURES</b>			
Capital Outlay	<u>11,425</u>	<u>11,425</u>	<u>1,000</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(6,182)	(6,182)	3,680
<b>FUND BALANCE, BEGINNING</b>	<u>37,613</u>	<u>37,613</u>	<u>33,933</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 31,431</u>	<u>\$ 31,431</u>	<u>\$ 37,613</u>

See accompanying Independent Auditors' Report.

**TOWN OF FAIRPLAY, COLORADO**

**BUDGETARY COMPARISON SCHEDULE**

**Conservation Trust Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**With Comparative Totals for the Year Ended December 31, 2022**

	<b>2023</b>				<b>2022</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>	
<b>REVENUES</b>					
<b>Intergovernmental Revenues</b>					
Conservation Trust Fund	\$ 4,500	\$ 4,500	\$ 5,146	\$ 646	\$ 4,649
<b>Investment Earnings</b>	<u>20</u>	<u>80</u>	<u>97</u>	<u>17</u>	<u>31</u>
TOTAL REVENUES	4,520	4,580	5,243	663	4,680
<b>EXPENDITURES</b>					
<b>Capital Outlay</b>					
Parks, Recreation and Other Capital Outlay	<u>10,000</u>	<u>15,000</u>	<u>11,425</u>	<u>3,575</u>	<u>1,000</u>
<b>NET CHANGE IN FUND BALANCE - BUDGET BASIS</b>	<u>\$ (5,480)</u>	<u>\$ (10,420)</u>	<u>(6,182)</u>	<u>\$ 4,238</u>	<u>3,680</u>
<b>FUND BALANCE, BEGINNING</b>			<u>37,613</u>		<u>33,933</u>
<b>FUND BALANCE, ENDING</b>			<u>\$ 31,431</u>		<u>\$ 37,613</u>

See accompanying Independent Auditors' Report.

**TOWN OF FAIRPLAY, COLORADO**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**BUDGET AND ACTUAL**

**Utility Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**With Comparative Totals for the Year Ended December 31, 2022**

	<b>2023</b>		<b>Variance with Final Budget</b>	<b>2022</b>	
	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>	<b>Actual</b>
<b>Operating Revenues</b>					
Utility Charges	\$ 1,070,325	\$ 1,071,240	\$ 915	\$ 1,049,565	
Other Charges for Services	13,817	17,122	3,305	17,111	
Total Revenues	<u>1,084,142</u>	<u>1,088,362</u>	<u>4,220</u>	<u>1,066,676</u>	
<b>Operating Expenses</b>					
Management Fees/Internal Charges	35,617	33,682	1,935	35,617	
Personnel Services	214,262	203,453	10,809	273,353	
Administrative/Office Expenses	25,500	21,604	3,896	26,216	
Insurance	14,714	14,714	-	16,107	
Operating Supplies	26,000	21,337	4,663	26,473	
Professional Fees	124,638	113,412	11,226	119,407	
Repairs and Maintenance	235,394	240,707	(5,313)	246,978	
Travel and Training	4,500	4,003	497	1,074	
Telephone and Utilities	98,200	92,630	5,570	106,321	
Other Operating Expenses	11,508	9,669	1,839	9,619	
Other Capital Outlay	213,305	214,764	(1,459)	180,782	
Total Expenditures	<u>1,003,638</u>	<u>969,975</u>	<u>33,663</u>	<u>1,041,947</u>	
Operating Income (Loss)	<u>80,504</u>	<u>118,387</u>	<u>37,883</u>	<u>24,729</u>	
<b>Other Income (Expense)</b>					
Intergovernmental Revenue	-	163,306	163,306	-	
Investment Earnings	83,852	81,025	(2,827)	22,666	
Other Revenue	125,000	-	(125,000)	-	
Debt Service	(317,616)	(181,127)	136,489	(316,970)	
Total Other Income (Expense)	<u>(108,764)</u>	<u>63,204</u>	<u>171,968</u>	<u>(294,304)</u>	
Net Income (Loss), Budget Basis	(28,260)	181,591	209,851	(269,575)	
<b>Contributed Capital</b>					
Plant Investment Fees	8,351	8,351	-	345,498	
Intergovernmental Revenue	<u>162,010</u>	<u>162,010</u>	<u>-</u>	<u>-</u>	
Change in Net Position (Budget Basis)	<u>\$ 142,101</u>	351,952	<u>\$ 209,851</u>	75,923	
<b>Budget to GAAP Reconciliation</b>					
Principal Paid		94,576		223,700	
Depreciation Expense		(264,863)		(270,360)	
Capital Outlay		<u>179,732</u>		<u>154,772</u>	
Change in Net Position - GAAP Basis		361,397		184,035	
Net Position, Beginning		<u>5,585,109</u>		<u>5,401,074</u>	
Net Position, Ending		<u>\$ 5,946,506</u>		<u>\$ 5,585,109</u>	

See accompanying Independent Auditors' Report.

**TOWN OF FAIRPLAY, COLORADO**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**BUDGET AND ACTUAL**

**Internal Service Fund**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**With Comparative Totals for the Year Ended December 31, 2022**

	<b>2023</b>		<b>Variance with Final Budget</b>	<b>2022</b>	
	<b>Final Budget</b>	<b>Actual</b>		<b>Actual</b>	
<b>Operating Revenues</b>					
Internal Charges	\$ 123,524	\$ 112,086	\$ (11,438)	\$ 97,712	
<b>Operating Expenses</b>					
Other Capital Outlay	<u>67,930</u>	<u>67,930</u>	<u>-</u>	<u>185,556</u>	
Operating Income (Loss)	55,594	44,156	(11,438)	(87,844)	
<b>Other Income (Expense)</b>					
Gain (Loss) on Sale of Assets	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>	
Change in Net Position (Budget Basis)	<u>\$ 55,594</u>	47,156	<u>\$ (8,438)</u>	(87,844)	
<b>Budget to GAAP Reconciliation</b>					
Depreciation Expense		(52,144)		(39,370)	
Capital Outlay		<u>67,930</u>		<u>185,556</u>	
<b>Change in Net Position - GAAP Basis</b>		62,942		58,342	
<b>Net Position, Beginning</b>		<u>496,160</u>		<u>437,818</u>	
<b>Net Position, Ending</b>		<u>\$ 559,102</u>		<u>\$ 496,160</u>	

See accompanying Independent Auditors' Report.

**STATE COMPLIANCE SECTION**

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/2023

This Information From The Records Of: Town of Fairplay Prepared By: jsciacca@fairplayco.us

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway expenditures:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 237,052.20
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	\$ 17,043.51	b. Snow and ice removal	
3. Other local imposts (from page 2)	\$ 532,305.27	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 8,224.00	d. Total (a. through c.)	\$ -
5. Transfers from toll facilities		4. General administration & miscellaneous:	\$ 362,589.19
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 599,641.39
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 557,572.78	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	\$ -
<b>C. Receipts from State government</b> (from page 2)	\$ 42,068.61	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	\$ -	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	\$ 599,641.39	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total expenditures (A.6 + B.3 + C + D)</b>	\$ 599,641.39

**IV. LOCAL HIGHWAY DEBT STATUS**  
*(Show all entries at par)*

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 599,641.39	\$ 599,641.39		\$ -

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
 COLORADO  
 YEAR ENDING (mm/yy):  
 12/2023

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

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assesments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 8,224.00
1. Sales Taxes	\$ 532,305.27	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 532,305.27	h. Other	
c. Total (a. + b.)	\$ 532,305.27	i. Total (a. through h.)	\$ 8,224.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes (from Item I.C.5.)	\$ 38,381.61	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 3,687.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 3,687.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 42,068.61	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

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

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

**Notes and Comments:**