Town of Kremmling, Colorado

Financial Report

December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Town Council
Town of Kremmling, Colorado

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town 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 ("U.S. GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, we:

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

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

Required Supplementary Information

U.S. GAAP require that the Management's Discussion and Analysis in section B, the Schedule of Town's Proportionate Share of the Net Pension Liability (Asset), and the Schedule of Town Contributions in section E be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 section B in accordance with U.S. GAAS, 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.

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information in section E 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining non-major fund financial statements, individual fund budgetary comparison information in section F, and the Local Highway Finance Report in section G, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining non-major fund financial statements, individual fund budgetary comparison information, and the Local Highway Finance Report are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
September 11, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the Town of Kremmling, Colorado (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2023.

Financial Highlights:

- The assets of the Town exceeded its liabilities at the close of the 2023 fiscal year by $11,583,664 (net position). Of this amount, the unrestricted net position of $5,055,395 may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased in the 2023 fiscal year by $373,589 as governmental activities net position grew by $354,034 and business-type activities increased $19,555.
- At December 31, 2023, the unassigned fund balance of the General Fund was $3,027,622, or approximately 113% of budgeted fiscal year 2024 General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other required supplementary information and supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

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 general government, public safety, public works, and culture and recreation. The business-type activities of the Town include water and solid waste operations.

The government-wide financial statements can be found on pages C1 and C2 of this report.

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

Overview of the Financial Statements (continued)

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances both provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The Town's major governmental fund is the General Fund. The Conservation Trust Fund, the Recreation Fund, and the Grant Fund are considered non-major funds. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements.

As required by Colorado statutes, the Town is required to adopt an annual appropriated budget for all of its funds. Budgetary comparison schedules have been provided for the General Fund and all other funds to demonstrate compliance.

The basic governmental fund financial statements can be found on pages C3 through C5.

Proprietary Funds: The Town maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water system and trash collection.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the Town, each of which is considered to be a major fund of the Town.

The basic proprietary fund financial statements can be found on pages C6 through C8 of this report.

Notes to the Financial Statements: The notes provide additional information (e.g., background of entity, accounting policies used by Town, etc.) that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in Section D of this report.

Other Information: As previously discussed, the Town adopts annual appropriated budgets for all its funds in accordance with Colorado statues. The budgetary comparison schedules have been provided for all its funds to demonstrate compliance or noncompliance with the budget law and are found on pages E1 through E4 and F3 through F8.

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages F1 and F2. In addition, the Local Highway Finance Report – other supplementary information required by Colorado Statutes – is presented in Section G.

Government-wide Financial Analysis

Town of Kremmling's Net Position:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	$ 3,853,420	3,660,119	1,936,187	1,727,972	5,789,607	5,388,091
Capital assets, net	2,117,578	1,949,627	5,389,618	5,652,719	7,507,196	7,602,346
Total Assets	5,970,998	5,609,746	7,325,805	7,380,691	13,296,803	12,990,437
Deferred Outflows of Resources:						
Pension related deferred outflows	110,260	75,692	-	-	110,260	75,692
Liabilities:						
Long-term liabilities	31,574	27,597	959,402	1,054,843	990,976	1,082,440
Other liabilities	376,880	367,180	176,235	155,235	553,115	522,415
Total Liabilities	408,454	394,777	1,135,637	1,210,078	1,544,091	1,604,855
Deferred Inflows of Resources:						
Unavailable property tax revenue	264,352	194,368	-	-	264,352	194,368
Pension related deferred inflows	14,956	56,831	-	-	14,956	56,831
Total Deferred Inflow of Resources	279,308	251,199	-	-	279,308	251,199
Net Position:						
Net investment in capital assets	2,117,578	1,949,627	4,341,691	4,518,060	6,459,269	6,467,687
Restricted for emergencies	69,000	65,000	-	-	69,000	65,000
Restricted for pensions	-	66,670	-	-	-	66,670
Unrestricted	3,206,918	2,958,165	1,848,477	1,652,553	5,055,395	4,610,718
Total Net Position	$ 5,393,496	5,039,462	6,190,168	6,170,613	11,583,664	11,210,075

Traditionally, the largest portion of any municipality's investments is in its capital assets used to deliver and provide services to its residents and visitors. The Town's investment in capital assets accounted for 56% of its total net position at the end of 2023; which represents a decrease of 2% from the previous year-end. Net investment in capital assets is not an available source of payment for future spending. Of the remaining $5,124,395 in net position, $69,000 is restricted for use in the event of an emergency as required by the Taxpayers' Bill of Rights ("TABOR"), $0 is restricted for employee pension disbursements, and $5,055,395 may be used to meet the Town's ongoing operating obligations. The Town's unrestricted net position increased by $510,726 during 2023; this change is subsequently explained.

At the end of the 2023 fiscal year, the Town is able to report positive balances in all four categories of net position; first for the government as a whole, and then as separate governmental and business-type activities. This same report can also be made for the prior fiscal year.

Government-wide Financial Analysis (continued)

The following table summarizes information relating to the Town's Statement of Activities:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 134,061	86,078	971,141	961,395	1,105,202	1,047,473
Grants and contributions	199,829	296,454	106,000	10,000	305,829	306,454
General revenues:						
Sales and use taxes	1,725,963	1,673,682	-	-	1,725,963	1,673,682
Property taxes	197,753	199,356	-	-	197,753	199,356
Other taxes	116,451	92,372	-	-	116,451	92,372
Miscellaneous	7,253	11,401	-	-	7,253	11,401
Interest	37,285	24,416	13,248	4,262	50,533	28,678
Total Revenues	2,418,595	2,383,759	1,090,389	975,657	3,508,984	3,359,416
Expenses:						
General government	724,865	820,586	-	-	724,865	820,586
Public safety	741,524	744,483	-	-	741,524	744,483
Public works	442,761	384,498	-	-	442,761	384,498
Culture and recreation	155,411	174,943	-	-	155,411	174,943
Water	-	-	735,702	664,622	735,702	664,622
Solid waste	-	-	335,132	307,003	335,132	307,003
Total Expenses	2,064,561	2,124,510	1,070,834	971,625	3,135,395	3,096,135
Change in Net Position	354,034	259,249	19,555	4,032	373,589	263,281
Net Position - Beginning of Year	5,039,462	4,780,213	6,170,613	6,166,581	11,210,075	10,946,794
Net Position - End of Year	$ 5,393,496	5,039,462	6,190,168	6,170,613	11,583,664	11,210,075

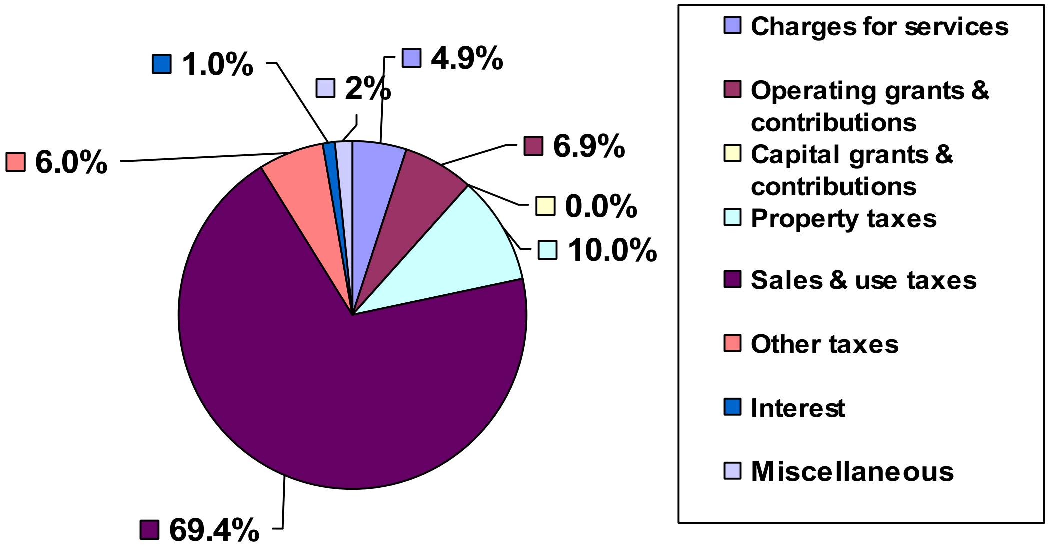
Both 2023 and 2022 saw an increase in net position, primarily due to higher revenues from property taxes and sales and use taxes.

Revenues increased by $149,568 or 4% between 2022 and 2023. Sales and use tax revenue increased by $52,281 from the previous year primarily due to new businesses opening within the Town and a rebound in the economy nationwide. The Town continued to expend American Rescue Plan grant funds during 2023 as part of its ongoing water meter replacement project.

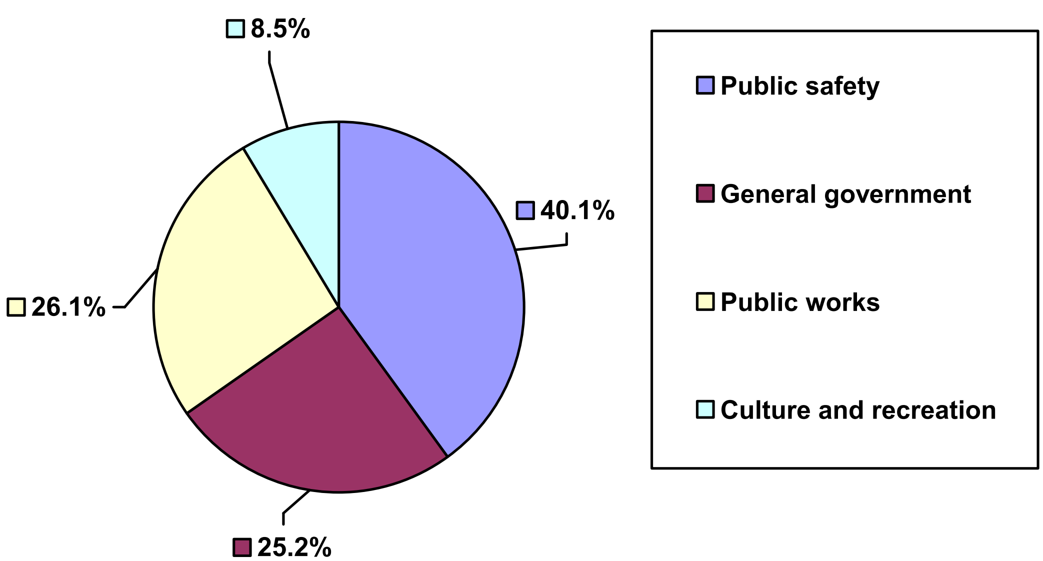
Total 2023 expenses of the Town increased by $39,260,or approximately 1% over total expenses in the prior year.

Government-wide Financial Analysis (continued)

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES

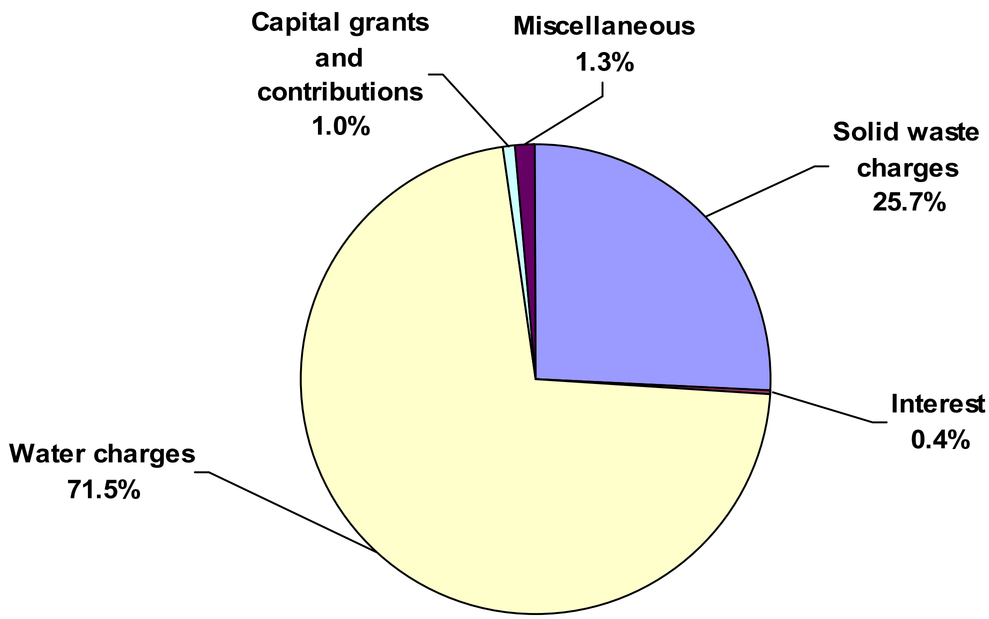


EXPENSES BY FUNCTIONS – GOVERNMENTAL ACTIVITIES

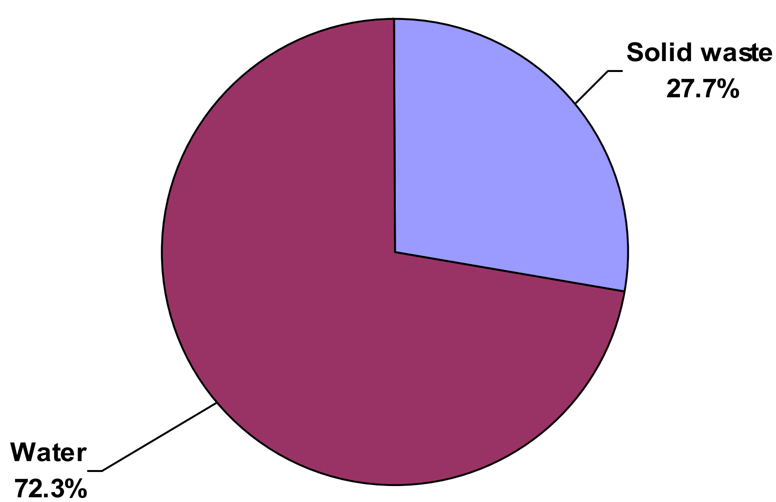


Government-wide Financial Analysis (continued)

REVENUE BY SOURCE - BUSINESS-TYPE ACTIVITIES



EXPENSES BY FUNCTION – BUSINESS-TYPE ACTIVITIES



Budget Amendments: The Town passed budget amendments to its General Fund, Conservation Trust Fund, Recreation Fund, and Solid Waste Fund during 2023.

Government-wide Financial Analysis (continued)

Budget Variances in the General Fund: In total, the Town's General Fund ended 2023 $1,047,014 ahead of budget, as revenues were $449,190 higher than anticipated while expenditures were $586,633 lower than budgeted. The General Fund budgetary comparison schedules can be found on pages E1 through E4 in the financial report.

Significant Variances in the General Fund:

Resources	Final Budget	Actual Amounts	Variance Positive (Negative)	Reason
Revenues:				
General sales and use taxes	$ 1,450,000	1,725,963	275,963	Economic conditions have improved for the Town, and collections of sales tax from prior years improved.
Expenditures:				
Administration - Professional services	76,000	109,232	(33,232)	Unanticipated expenses related to general Town operations and potential community housing projects.
Administration - Capital outlay	100,000	32,028	67,972	Anticipated projects not begun.
Police - Professional services	100,000	37,955	62,045	Anticipated assistance from Grand County Sheriff's office not needed.
Police - Capital outlay	120,000	69,697	50,303	Anticipated projects not begun.
Public Works - Capital outlay	375,000	47,239	327,761	Anticipated projects not begun.

Capital Assets: During 2023, capital assets decreased by $95,150 on a net basis. This change in capital assets is comprised of $41,716 in infrastructure additions, $271,591 in buildings and improvements additions related to the Town's new pavilion project, and $102,271 in vehicles and equipment additions, less aggregate depreciation expense of $510,726. Additional information, as well as a detailed classification of the Town's net capital assets can be found in Note IV.D., in section D of this report.

Long-term Liabilities: As of the end of the current fiscal year, the Town's long-term liabilities had decreased by $91,464 from 2022, primarily due to scheduled principal payments of $86,733 during 2023. Additional information as well as a detailed classification of the Town's long-term liabilities can be found in Note IV.E in section D of this report.

Next Year's Budget and Rates: The Town's General Fund balance at the end of the fiscal year 2023 totaled $3,096,622. The 2024 budget appropriations anticipate a net decrease of $366,412 in the General Fund balance, with budgeted revenues of $2,192,700 and expenditures of $2,559,112.

Request for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Kremmling, P.O. Box 538, Kremmling, Colorado 80459-0538.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - Unrestricted	3,198,059	1,742,879	4,940,938
Cash and investments - Restricted	-	107,706	107,706
Accounts receivable, net of allowance for doubtful accounts:			
Sales taxes	281,326	-	281,326
Property taxes	264,352	-	264,352
Sewer	62,869	-	62,869
Other	46,814	85,602	132,416
Capital assets, not being depreciated	120,070	634,837	754,907
Capital assets, net of accumulated depreciation	1,997,508	4,754,781	6,752,289
Total Assets	5,970,998	7,325,805	13,296,803
Deferred Outflows of Resources:			
Pension-related deferred outflows	110,260	-	110,260
Liabilities:			
Accounts payable	197,098	46,537	243,635
Accrued salaries and benefits	58,787	5,924	64,711
Accrued interest payable	-	29,630	29,630
Unearned grant revenue	109,014	-	109,014
Net pension liability	11,981	-	11,981
Accrued compensated absences:			
Due in more than one year	31,574	5,619	37,193
Notes payable:			
Due in one year	-	59,144	59,144
Due in more than one year	-	918,783	918,783
Bonds payable:			
Due in one year	-	35,000	35,000
Due in more than one year	-	35,000	35,000
Total Liabilities	408,454	1,135,637	1,544,091
Deferred Inflows of Resources:			
Property taxes	264,352	-	264,352
Pension-related deferred inflows	14,956	-	14,956
Total Deferred Inflows of Resources	279,308	-	279,308
Net Position:			
Net investment in capital assets	2,117,578	4,341,691	6,459,269
Restricted for emergencies	69,000	-	69,000
Unrestricted	3,206,918	1,848,477	5,055,395
Total Net Position	5,393,496	6,190,168	11,583,664

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

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	724,865	41,201	79,906	-	(603,758)		(603,758)
Public safety	741,524	36,185	5,194	-	(700,145)		(700,145)
Public works	442,761	49,179	63,173	-	(330,409)		(330,409)
Culture and recreation	155,411	7,496	21,556	30,000	(96,359)		(96,359)
Total - Governmental activities	2,064,561	134,061	169,829	30,000	(1,730,671)		(1,730,671)
Business-type activities:							
Water	735,702	649,023	-	106,000		19,321	19,321
Solid waste	335,132	322,118	-	-		(13,014)	(13,014)
Total - Business-type activities	1,070,834	971,141	-	106,000		6,307	6,307
Total	3,135,395	1,105,202	169,829	136,000	(1,730,671)	6,307	(1,724,364)
General revenues:							
Taxes:							
Sales and use taxes					1,725,963	-	1,725,963
Property taxes, levied for general purposes					197,753	-	197,753
Specific ownership taxes					12,536	-	12,536
Franchise taxes					58,742	-	58,742
Cigarette taxes					3,099	-	3,099
Motor vehicle taxes					8,048	-	8,048
Other taxes					34,026	-	34,026
Investment earnings					37,285	13,248	50,533
Miscellaneous revenues					7,253	-	7,253
Total - General revenues and transfers					2,084,705	13,248	2,097,953
Change in Net Position					354,034	19,555	373,589
Net Position - Beginning of Year					5,039,462	6,170,613	11,210,075
Net Position - End of Year					5,393,496	6,190,168	11,583,664

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

FUND FINANCIAL STATEMENTS

Town of Kremmling, Colorado
Balance Sheet
Governmental Funds
December 31, 2023

	General Fund	Non-major Governmental Funds	Total
Assets:			
Cash and investments - Unrestricted	2,959,234	238,825	3,198,059
Accounts receivable, net of allowance for doubtful accounts:			
Sales taxes	281,326	-	281,326
Property taxes	264,352	-	264,352
Sewer	62,869	-	62,869
Other	46,814	-	46,814
Total Assets	3,614,595	238,825	3,853,420
Liabilities:			
Accounts payable	194,834	2,264	197,098
Accrued salaries and benefits	58,787	-	58,787
Unearned grant revenue	-	109,014	109,014
Total Liabilities	253,621	111,278	364,899
Deferred Inflows of Resources:			
Unavailable property tax revenue	264,352	-	264,352
Fund Balances:			
Restricted for:			
Emergencies	69,000	-	69,000
Conservation Trust Fund	-	96,455	96,455
Recreation Fund	-	19,004	19,004
Grant Fund	-	12,088	12,088
Unassigned:			
General Fund	3,027,622	-	3,027,622
Total Fund Balances	3,096,622	127,547	3,224,169
Total Liabilities, Deferred Inflows of Resources and Fund Balances	3,614,595	238,825	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,117,578
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(31,574)
The net pension asset / (liability) and related deferrals are not due and payable in the current period and, therefore, are not reported in the funds.	83,323
Net Position of Governmental Activities	5,393,496

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

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

	General Fund	Non-major Governmental Funds	Total
Revenues:			
Taxes	2,029,583	-	2,029,583
Licenses and permits	9,368	-	9,368
Intergovernmental	128,130	95,469	223,599
Charges for services	31,834	7,496	39,330
Fines and forfeitures	36,185	-	36,185
Interest	37,169	116	37,285
Other	13,246	30,000	43,246
Total Revenues	2,285,515	133,081	2,418,596
Expenditures:			
General government	669,751	73,913	743,664
Public safety	774,239	-	774,239
Public works	340,934	-	340,934
Culture and recreation	310,202	57,289	367,491
Total Expenditures	2,095,126	131,202	2,226,328
Excess (Deficiency) of Revenues over Expenditures	190,389	1,879	192,268
Other Financing Sources (Uses):			
Transfers in	11,191	-	11,191
Transfers (out)	-	(11,191)	(11,191)
Total Other Financing Sources (Uses)	11,191	(11,191)	-
Net Change in Fund Balances	201,580	(9,312)	192,268
Fund Balances - Beginning of Year	2,895,042	136,859	3,031,901
Fund Balances - End of Year	3,096,622	127,547	3,224,169

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

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

Net Change in Fund Balances of Governmental Funds	192,268
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay during the year.	167,953
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the funds.	(6,187)
Change in Net Position of Governmental Activities	354,034

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

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

	Water Fund	Solid Waste Fund	Total
Assets:			
Current Assets:			
Cash and investments - Unrestricted	1,735,432	7,447	1,742,879
Cash and investments - Restricted	107,706	-	107,706
Receivables, net of allowance for doubtful accounts	54,987	30,615	85,602
Total Current Assets	1,898,125	38,062	1,936,187
Non-current Assets:			
Capital assets, not being depreciated	634,837	-	634,837
Capital assets, net of accumulated depreciation	4,754,781	-	4,754,781
Total Non-current Assets	5,389,618	-	5,389,618
Total Assets	7,287,743	38,062	7,325,805
Liabilities:			
Current Liabilities:			
Accounts payable	18,303	28,234	46,537
Accrued salaries and benefits	5,535	389	5,924
Accrued interest payable	29,630	-	29,630
Current portion of long-term debt	94,144	-	94,144
Total Current Liabilities	147,612	28,623	176,235
Non-current Liabilities:			
Accrued compensated absences	5,589	30	5,619
Water revenue bonds payable	35,000	-	35,000
Note payable	918,783	-	918,783
Total Non-current Liabilities	959,372	30	959,402
Total Liabilities	1,106,984	28,653	1,135,637
Net Position:			
Net investment in capital assets	4,341,691	-	4,341,691
Unrestricted	1,839,068	9,409	1,848,477
Total Net Position	6,180,759	9,409	6,190,168

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

	Water Fund	Solid Waste Fund	Total
Operating Revenues:			
Water sales	642,668	-	642,668
Solid waste charges	-	321,581	321,581
Miscellaneous income	6,355	537	6,892
Total Operating Revenues	649,023	322,118	971,141
Operating Expenses:			
Solid waste	-	335,132	335,132
Administration	269,834	-	269,834
Water plant	137,529	-	137,529
Distribution	13,052	-	13,052
Water meters	2,364	-	2,364
Water supply	4,029	-	4,029
Depreciation	263,101	-	263,101
Total Operating Expenses	689,909	335,132	1,025,041
Operating Income (Loss)	(40,886)	(13,014)	(53,900)
Non-operating Revenues (Expenses):			
Interest income	13,248	-	13,248
Interest expense	(45,793)	-	(45,793)
Total Non-operating (Expenses)	(32,545)	-	(32,545)
Net Income (Loss) Before Capital Contributions	(73,431)	(13,014)	(86,445)
Capital contribution - Tap fees	106,000	-	106,000
Change in Net Position	32,569	(13,014)	19,555
Net Position - Beginning of Year	6,148,190	22,423	6,170,613
Net Position - End of Year	6,180,759	9,409	6,190,168

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

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

	Water Fund	Solid Waste Fund	Total
Cash Flows from Operating Activities:			
Cash received from customers and users	661,664	322,067	983,731
Cash paid for goods and services	(237,530)	(291,134)	(528,664)
Cash paid for salaries and benefits	(196,999)	(16,103)	(213,102)
Net Cash Provided (Used) by Operating Activities	227,135	14,830	241,965
Cash Flows from Non-capital Financing Activities:			
Cash payments (to) from other funds	7,383	(7,383)	-
Net Cash (Used) by Non-capital Financing Activities	7,383	(7,383)	-
Cash Flows From Capital Financing Activities:			
Tap fees received	106,000	-	106,000
Principal payments	(86,732)	-	(86,732)
Interest payments	(49,612)	-	(49,612)
Net Cash Provided (Used) by Capital Financing Activities	(30,344)	-	(30,344)
Cash Flows From Investing Activities:			
Interest received	13,248	-	13,248
Net Cash Provided (Used) by Investing Activities	13,248	-	13,248
Net Increase (Decrease) in Cash and Cash Equivalents	217,422	7,447	224,869
Cash and Cash Equivalents - Beginning of Year	1,625,716	-	1,625,716
Cash and Cash Equivalents - End of Year	1,843,138	7,447	1,850,585
Cash and Cash Equivalents - Ending is comprised of:			
Cash and cash equivalents - Unrestricted	1,735,432	7,447	1,742,879
Cash and cash equivalents - Restricted	107,706	-	107,706
Total - Cash and Cash Equivalents	1,843,138	7,447	1,850,585
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	(40,886)	(13,014)	(53,900)
Adjustments:			
Depreciation	263,101	-	263,101
(Increase) decrease in accounts receivable	12,641	(51)	12,590
(Increase) decrease in prepaids	4,064	-	4,064
Increase (decrease) in accounts payable	(5,034)	28,234	23,200
Increase (decrease) in accrued salaries and benefits	(5,453)	(339)	(5,792)
Increase (decrease) in accrued compensated absences	(1,298)	-	(1,298)
Total Adjustments	268,021	27,844	295,865
Net Cash Provided (Used) by Operating Activities	227,135	14,830	241,965

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

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

The Town of Kremmling, Colorado (the "Town"), was incorporated in 1904 and operates under a Mayor/Council form of government. The Town provides the following services: public safety (police), highways and streets, parks and recreation, water and sanitation, public improvements, and general administrative services. The Town is located in Grand County, Colorado.

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

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the Town, and (b) organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the Town is not financially accountable for any other entity nor is the Town a component unit of any other government.

B. Government-wide Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's governmental functions include general government (administration), public safety (police department and mosquito control), public works (street maintenance), and culture and recreation. The Town's water utilities and solid waste service are classified as business-type activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities. The functions are primarily supported by general government revenues (property and sales taxes, intergovernmental revenue, investment earnings, etc.) while business-type activities rely to a significant extent on fees and charges for support. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, and operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The Town reports the following major governmental fund(s):

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

The Town reports the following non-major governmental funds:

The *Grant Fund* is used to account for grants received from State and Federal sources and other contributions for capital projects.

The *Conservation Trust Fund* accounts for State lottery proceeds and the related expenditures.

The *Recreation Fund* is used to account for providing recreation to the Town's citizens and visitors.

The Town reports the following major proprietary or business-type funds:

The *Water Fund* accounts for the delivery of water to the citizens of the Town.

The *Solid Waste Fund* accounts for the provision of solid waste removal services to the citizens of the Town.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

I. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Town’s enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Town.

Investments are stated at fair value, amortized cost, or net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

1. Cash and Cash Equivalents (continued)

The Town follows Colorado state statutes as an investment policy, which permits investments in the following type of obligations which corresponds with state statutes:

- U.S. Treasury obligations (maximum maturity of 60 months)
- Federal instrumentality securities (maximum maturity of 60 months)
- FDIC-insured certificates of deposit (maximum maturity of 18 months)
- Corporate bonds (maximum maturity of 36 months)
- Prime commercial paper (maximum maturity of 9 months)
- Eligible banker's acceptances
- Repurchase agreements
- General obligations and revenue obligations
- Local government investment pools
- Money market mutual funds

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental unit until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflows of resources.

4. Capital Assets

Capital assets, which include land, water rights, water distribution systems, buildings and improvements, equipment, vehicles, and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

4. Capital Assets (continued)

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

Capital Assets	Years
Infrastructure	15
Buildings and improvements	40
Vehicles and equipment	7 - 10
Water distribution system	20 - 40

5. Compensated Absences

Earned but unused vacation and sick leave benefits are recorded as expenses and liabilities when incurred in the government-wide and proprietary fund financial statements.

Vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure of the governmental fund that will pay it. The Town's policy limits the total hours accrued to no more than 200 hours of paid time off.

6. Long-term Debt

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

7. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Town's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

8. Interfund Transactions

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

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. Interfund Transactions (continued)

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due from/to other funds”. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as “internal balances”.

9. Pensions

The Town’s police department participates in the Statewide Defined Benefit Plan (the “SWDB Plan”) administered by the Fire and Police Pension Association of Colorado (“FPPA”). The SWDB Plan is a cost-sharing multiple-employer defined benefit plan. The net pension asset (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 Plan have been determined using the economic resources measurement focus and the accrual basis of accounting. 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.

10. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Town has one item that qualifies for reporting under this category on the government-wide Statement of Net Position: pension related deferred outflows.

Pension-related deferred outflows comprise pension contributions made after the measurement date, and the difference between projected and actual earnings, which will be recognized as a reduction of the net pension liability in future periods. For further details, see Note IV.G.1.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in the category. Property taxes, reported in the governmental Balance Sheet and on the Statement of Net Position, are deferred and recognized as an inflow from resources in the period that the amounts become available. Collective deferred inflows related to the Town’s net pension obligation are reported on the Statement of Net Position and are amortized over the average remaining service life of all active and inactive SWDB Plan members. For further details, see Note IV.G.1.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

11. Fund Equity

Governmental accounting standards establish fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of the funds, but also provide clarity as to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The Town classifies governmental fund balances as follows:

- *Non-spendable* - includes fund balance amounts that inherently cannot be spent because they are not in spendable form; such as inventories, prepaid items, or long-term receivables.
- *Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is the Town’s Board of Trustees (the “Board”).
- *Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board or its management designees.
- *Unassigned* - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Town uses restricted amounts first when both restricted and unrestricted fund balance is available, unless there are legal documents or contracts that prohibit this, such as in grant agreements requiring dollar-for-dollar spending. Additionally, the Town first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

12. Restricted Assets

Certain proceeds of the Town’s Water Fund debt are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants. As subsequently explained in the notes, restricted assets also include amounts set aside for an operations and maintenance reserve.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund Balance Sheet includes a reconciliation between *Fund balance – Total governmental funds* and *Net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds". This difference is related to capital assets of $5,930,976 less accumulated depreciation of $3,813,398.

Additionally, the reconciliation states that "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." This item includes accrued compensated absences of $31,574.

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The reconciliation between the net change in fund balances of governmental funds per the Statement of Revenues, Expenditures and Changes in Fund Balances and the change in net position of governmental activities as reported in the government-wide Statement of Activities includes an element that explains "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense." The $167,951 is made up of depreciation expense of $247,625 less capital outlays of $415,576.

Another element of that reconciliation explains "Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the funds." The $6,187 reduction of expense includes $2,210 for changes in pension deferrals plus a $3,977 increase in compensated absences.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with GAAP, except for the Water Fund. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

As required by Colorado Statutes, the Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2023.

1. For the 2023 budget year, prior to August 25, 2022, the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries. The County Assessor may change the assessed valuation on or before December 15, 2022, only once by a single notification to the Town.

2. The Town Manager submitted to the Board, on or before October 15, 2022, a recommended budget, which detailed the necessary property taxes needed, along with other available revenues to meet the Town's operating requirements.

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

3. Prior to December 15, 2022, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated - expenditures for the upcoming year.

4. After adoption of the budget resolution, the Town may make the following changes: a) transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2022 were collected in 2023 and taxes certified in 2023 will be collected in 2024. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (no later than May 1) or two equal installments (not later than March 1 and June 15) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of 1% per month or fraction thereof until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (“TABOR”). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary and fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved $69,000, which is the approximate required reserve at December 31, 2023, for this purpose.

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

On November 8, 1994, the Town's voters passed a measure to allow the Town, without any increase in the property tax mill levy and sales tax rates, to collect, retain and expend all revenues and other funds collected, from any source, during 1994 and each subsequent year; and to spend such revenues for (a) law enforcement and crime prevention, education, (b) snow removal and street sweeping, (c) street construction, repair and maintenance, (d) Town lawns, trees, parks and recreation, (e) plan in reserve for future capital projects, and (f) for other basic Town services and lawful municipal purposes; notwithstanding any state restriction on fiscal spending, including the restrictions of Article X, Section 20 of the Colorado Constitution.

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

C. Expenditures in Excess of Budget

For the year ended December 31, 2023, the following funds had expenditures in excess of budgeted appropriations:

Conservation Trust Fund	$ 22,843
Solid Waste Fund	28,424

These may be violations of Colorado Budget Law.

IV. Detailed Notes on All Funds

A. Cash and Investments

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). Amounts on deposit in excess of $250,000, the FDIC-insured limit at each participating institution, must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The collateral pool is to be maintained by another institution or held in trust for all the uninsured public as a group. The fair value of the collateral must equal or exceed 102% of the uninsured deposits. The carrying amount of the Town's demand deposits was $4,124,118 at year end.

IV. Detailed Notes on All Funds (continued)

A. Cash and Investments (continued)

At December 31, 2023, the Town held deposits and investments with the following maturities:

	Standard & Poors rating	Carrying amounts	Maturities: Less than one year	Maturities: More than one year
Deposits:				
Petty cash	Not rated	$ 250	250	-
Checking - Interest-bearing	Not rated	4,046,431	4,046,431	-
Savings and money market	Not rated	77,687	77,687	-
Total deposits		4,124,368	4,124,368	-
Investments:				
Investment pools	AAAm	924,276	924,276	-
Total investments		924,276	924,276	-
Total cash and investments		$ 5,048,644	5,048,644	-

The Town's cash and investments are reported in the following financial statement captions:

	Governmental Activities	Business-type Activities	Total
Cash and investments - Unrestricted	$ 3,198,059	1,742,879	4,940,938
Cash and investments - Restricted	-	107,706	107,706
Total cash and investments	$ 3,198,059	1,850,585	5,048,644

Fair Value of Investments: The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

IV. Detailed Notes on All Funds (continued)

A. Cash and Investments (continued)

At December 31, 2023, the Town's investments had the following recurring fair value measurements:

Investments Measured at Net Asset Value	
Local government investment pools:	
COLOTRUST	$ 834,141
Investments Measured at Amortized Cost	
Local government investment pools:	
C-SAFE	$ 90,135

Investments classified in Level 1 are valued using prices quoted in active markets for those securities.

Pools: The Town's holdings in investment pools are comprised of balances with COLOTRUST and C-SAFE, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to $1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The Town has no regulatory oversight for the pools. The fair value of the pool is determined by the pool's share price. The Town has no regulatory oversight for the pool. At December 31, 2023, the Town's investments in COLOTRUST and C-SAFE represented 90% and 10%, respectively, of the Town's investment portfolio.

Interest Rate Risk: As a means of limiting its exposure to interest rate risk, the Town coordinates its investment maturities to closely match cash flow needs and restricts the maximum investments term to less than five years from the purchase date. As a result of the limited length on maturities, the Town has limited its interest rate risk.

Credit Risk. The Town's investment policy limits investments to those authorized by State statutes as listed in Note I.E.1. The Town's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The Town diversifies its investments by security type and institution. Financial institutions holding Town funds must provide the Town a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. At December 31, 2023, the Town's investments in government pools represented 100% of the Town's investment portfolio.

IV. Detailed Notes on All Funds (continued)

B. Restricted Cash and Cash Equivalents

At December 31, 2023, the Town had restricted cash in the amount of $107,706 to satisfy bond and loan covenants. Cash in the Water Fund has been restricted for the following purposes:

Reserve fund - 2004 Water Revenue Bonds	$ 7,000
Debt service reserve account - CWCB loan	100,706
Total restricted cash	$ 107,706

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

C. Receivables

Receivables as of December 31, 2023 for the Town's funds, including applicable allowances for uncollectible accounts, were as follows:

	General Fund	Non-major Governmental Fund	Water Fund	Solid Waste Fund	Total
Sales taxes	$ 281,326	-	-	-	281,326
Property taxes	264,352	-	-	-	264,352
Sewer	62,869	-	-	-	62,869
Other	46,814	-	81,307	38,620	166,741
Gross Receivables	$ 655,361	-	81,307	38,620	775,288
Less: Allowance for uncollectibles	-	-	(26,320)	(8,005)	(34,325)
Net Receivables	$ 655,361	-	54,987	30,615	740,963

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IV. Detailed Notes on All Funds (continued)

D. Capital Assets

Capital asset activity for the Town's governmental activities for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 120,070	-	-	120,070
Total capital assets, not being depreciated	120,070	-	-	120,070
Capital assets, being depreciated:				
Infrastructure	2,311,880	41,714	-	2,353,594
Buildings and improvements	2,081,829	271,591	-	2,353,420
Vehicles and equipment	1,001,621	102,271	-	1,103,892
Total capital assets, being depreciated	5,395,330	415,576	-	5,810,906
Less accumulated depreciation for:				
Infrastructure	(1,497,619)	(139,247)	-	(1,636,866)
Buildings and improvements	(1,222,641)	(68,726)	-	(1,291,367)
Vehicles and equipment	(845,513)	(39,652)	-	(885,165)
Total accumulated depreciation	(3,565,773)	(247,625)	-	(3,813,398)
Total capital assets, being depreciated, net	1,829,557	167,951	-	1,997,508
Governmental activities capital assets, net	$ 1,949,627	167,951	-	2,117,578

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IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

Capital asset activity for the Town's business-type activities for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Water rights	$ 432,528	-	-	432,528
Construction in progress	202,310	-	-	202,310
Total capital assets, not being depreciated	634,838	-	-	634,838
Capital assets, being depreciated:				
Distribution systems	10,867,040	-	-	10,867,040
Vehicles and equipment	183,967	-	-	183,967
Total capital assets, being depreciated	11,051,007	-	-	11,051,007
Less accumulated depreciation for:				
Distribution systems	(5,904,144)	(255,211)	-	(6,159,355)
Vehicles and equipment	(128,982)	(7,890)	-	(136,872)
Total accumulated depreciation	(6,033,126)	(263,101)	-	(6,296,227)
Total capital assets, being depreciated, net	5,017,881	(263,101)	-	4,754,780
Business-type activities capital assets, net	$ 5,652,719	(263,101)	-	5,389,618

Depreciation expense for 2023 was charged to functions of the Town as follows:

Governmental activities:	
General government	$ 15,734
Public safety	26,414
Public works, including infrastructure	147,224
Culture and recreation	58,253
Total depreciation expense - Governmental activities	$ 247,625
Business-type activities:	
Water	$ 263,101
Total depreciation expense - Business-type activities	$ 263,101

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt

1. Business-type Activities

a. Colorado Water Conservation Board ("CWCB") Note Payable

The Town entered into a loan agreement with the CWCB on September 15, 2004. The maximum loan amount was $1,689,750 and was used for the construction of an alternative water supply system. Actual amounts drawn on the loan as of March 19, 2007 (the final draw) were $1,636,693. Since the Town did not use the full amount of the loan, a service fee of 1% was added to the amount drawn by the Town, resulting in a total loan balance of $1,653,059.

Starting in 2008, combined principal and interest payments of $100,706 are due annually on April 1 with a final payment of $79,632 due in 2036. The interest rate on the loan is 4.25%.

The loan is equitably and ratably secured by a lien on the net income and revenue of the water system, but does not necessarily constitute an exclusive first lien.

The Town is required to maintain water system rates at a level sufficient to cover operation, maintenance, and emergency services, as defined by the loan agreement.

The Town is also required to fund a reserve amount equal to 10% of its annual debt service payment (i.e., $10,071) on the due date of its first annual payment and annually thereafter for the first ten years of this loan. This reserve, which was fully funded at December 31, 2023, must be maintained until the loan is repaid.

b. Water Revenue Refunding Bonds, Series 2004

The Town issued $480,000 of revenue refunding bonds dated August 6, 2004, with annual interest rates ranging from 2.50% to 5.70%. Interest is payable June 1 and December 1, through 2025. The principal is payable on December 1 and matures in various increments through 2025.

The bonds of this issue are equitably and ratably secured by a lien on the net income and revenue of the water system, but do not necessarily constitute an exclusive first lien. The bonds are subject to redemption prior to maturity beginning on December 1, 2014, at par.

Bond covenants require the Town to maintain water rates sufficient to cover operating and maintenance expenses, 120% of principal and interest due on the bonds, and make up any deficiency in the reserve fund explained below.

The Town is required to fund a reserve as stipulated by the bond agreement. This reserve fund is equal to the least of: 1) 100% of the maximum annual debt service in any calendar year on outstanding bonds, 2) 10% of the principal amount of outstanding bonds, or 3) 125% of the average annual debt service on outstanding bonds.

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt (continued)

2. Summary of Long-term Liabilities

Long-term liability activity during the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Accrued compensated absences	$ 27,597	3,977	-	31,574	-
Total governmental activities long-term liabilities	$ 27,597	3,977	-	31,574	-
Business-type Activities:					
Water Revenue Bonds, Series 2004	$ 100,000	-	(30,000)	70,000	35,000
Note payable - CWCB	1,034,659	-	(56,732)	977,927	59,144
Accrued compensated absences	6,917	-	(1,298)	5,619	-
Total business-type activities long-term liabilities	$ 1,141,576	-	(88,030)	1,053,546	94,144

Compensated absences for governmental activities are liquidated by the General Fund.

3. Debt Service Requirements

Aggregate debt service requirements at December 31, 2023 were as follows:

	Revenue Bonds		Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	35,000	3,972	59,144	41,561	94,144	45,533
2025	35,000	1,995	61,658	39,048	96,658	41,043
2026	-	-	64,277	36,428	64,277	36,428
2027	-	-	67,010	33,696	67,010	33,696
2028	-	-	69,858	30,848	69,858	30,848
2029 - 2033	-	-	396,431	107,100	396,431	107,100
2034 - 2036	-	-	259,549	21,497	259,549	21,497
Total business-type activities	$ 70,000	5,967	977,927	310,178	1,047,927	316,145

F. Interfund Transfers

During 2023, the Town transferred $11,191 from the Conservation Trust Fund to the General Fund.

IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Defined Benefit Plan

Plan Description: The Statewide Defined Benefit Plan ("SWDB") is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 ("New Hires"), provided they are not already covered by a statutorily exempt plan. As of August 1, 2003, the SWDB may include clerical and other personnel from fire districts whose services are auxiliary to fire protection.

Contributions: Determined by state statute or by election of the members, contributions are set at a level that enables all benefits to be fully funded at the retirement date of all members. Effective January 1, 2021, contribution rates may be increased 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 0.5% annually from 2015 through 2022 to a total of 12% of pensionable earnings. Employer contributions will increase 0.5% annually beginning in 2021 through 2030 to a total of 13%. In 2022, employees and employers are contributing at a rate of 12.0% and 9.0%, respectively, of base salary for a total contribution rate of 21.0%. Contributions from members and employers of plans reentering the system are established by resolution and approved by the FPPA Board of Directors. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4% 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 plan in accordance with their most recent FPPA Board of Directors approved resolution. The contribution rate for members and employers of affiliated social security employers is 6.0% and 4.5% of pensionable earnings for a total contribution rate of 10.5% in 2021. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25% annually beginning in 2015 through 2022 to a total of 6% of pensionable earnings. Employer contributions will increase 0.25% annually beginning in 2021 through 2030 to a total of 6.5% of pensionable earnings.

Benefits: On May 23, 1983, the Colorado Revised Statutes were amended to allow the Trustees of the SWDB to change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The amended statutes state that retirement age should not be less than age 55 or more than age 60. The Trustees subsequently elected to amend the retirement provisions, effective July 1, 1983, such that any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. 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.

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Benefits (continued): The annual normal retirement benefit is 2% 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% for each year of service thereafter. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board’s discretion and can range from 0% to the higher of 3% 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% 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% of the member’s average highest three years’ base salary for each year of credited service up to ten years, plus 2.5% for each year of service thereafter.

Net Pension (Asset) Liability: At December 31, 2023, the SWDB’s fiduciary net position was less than the total pension liability; consequently, the Town reported a liability of $11,981 for its proportionate share of the SWDB’s net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2023. The Town’s proportion of the net pension liability was based on Town contributions to the SWDB for calendar year 2022, relative to the total contributions to the SWDB by participating employers.

At the December 31, 2022 measurement, the Town's proportionate share was 0.013498%, as compared to 0.012302% at the December 31, 2021 measurement.

For the year ended December 31, 2023, the Town recognized pension expense of $2,210.

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Net Pension (Asset) Liability (continued): At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on pension plan investments	$ 27,112	-
Changes in pension assumptions	15,349	-
Changes in pension experience difference	25,933	1,468
Changes in proportionate share of contributions	30,805	13,488
Contributions subsequent to measurement date	11,061	-
	$ 110,260	14,956

Contributions subsequent to the measurement date of December 31, 2022 – which are reported as deferred outflows of resources related to pensions – will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending December 31,	Amortization
2024	$ 10,090
2025	15,211
2026	19,745
2027	25,791
2028	7,607
Thereafter	5,799
	$ 84,243

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Actuarial Assumptions: The collective total pension liability and actuarially-determined contributions in the December 31, 2022 actuarial valuation were determined using the following actuarial assumptions and other inputs:

Actuarial Assumptions	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date - January 1	2023	2022
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return *	7.0%	7.0%
Projected Salary Increases *	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
* Includes inflation at	2.5%	2.5%

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 scales. 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.

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.

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Actuarial Assumptions (continued): 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%). 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:

Asset Class	Target Allocation	Long-term Expected Rate of Return
Global equity	35%	8.93%
Equity long / short	6%	7.47%
Private Markets	34%	10.31%
Fixed income - Rates	10%	5.45%
Fixed income - Credit	5%	6.90%
Absolute Return	9%	6.49%
Cash	1%	3.92%
	100%	

The discount rate used to measure the total pension liability was 7%. 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 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.

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%; the municipal bond rate is 4.05% (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%.

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Defined Benefit Plan (continued)

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1 % Increase (8.0%)
Proportionate share of net pension liability (asset)	$ 82,595	$ 11,981	$ (46,510)

Pension Plan Fiduciary Net Position: Detailed information about the SWDB's fiduciary net position currently is available in FPPA's comprehensive annual financial report, which can be obtained at: http://www.fppaco.org/annual_reports.htm.

2. General Employees Deferred Compensation Plan – Section 457

All permanent, full-time (budgeted for 40 hours per week) Town employees, other than police officers, participate in a deferred compensation plan created in accordance with Internal Revenue Code ("IRC") section 457 (the "457 Plan"). The 457 Plan, which is administered by International City Management Association ("ICMA"), is a defined contribution pension plan and permits participants to defer a portion of the salary until future years. The deferred compensation is not available to employees until termination, retirement, or death.

All amounts of compensation deferred under the 457 Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the 457 Plan participants and their beneficiaries.

The accrual basis of accounting is used for the 457 Plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

The Town has no liability for losses under the 457 Plan but does have the duty of due care that would be required of an ordinary prudent investor.

In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, since the Town is not a trustee of the 457 Plan, it does not report the 457 Plan as a fund in the financial statements.

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. General Employees Deferred Compensation Plan – Section 457 (continued)

In addition to Social Security, the Town matched a 4.14% payroll deduction which totaled $23,187 in 2023. Employees may contribute additional amounts to the 457 Plan, up to maximum allowable limits as established under IRC section 457, but these amounts are not matched by the Town.

3. Police Deferred Compensation Plan – Section 457

All permanent, full-time Town police officers participate in a deferred compensation plan created in accordance with IRC section 457 (the “Police 457 Plan”). The Police 457 Plan, which is administered by Colorado Retirement Association (“CRA”; formerly known as County Officials and Employees Retirement Association or “CCOERA”), permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, or death.

All amounts of compensation deferred under the Police 457 Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the Police 457 Plan participants and their beneficiaries.

The accrual basis of accounting is used for the Police 457 Plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

The Town has no liability for losses under the Police 457 Plan but does have the duty of due care that would be required of an ordinary prudent investor.

In accordance with GASB Statement No. 32*, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, since the Town is not a trustee of the Police 457 Plan, it does not report the Police 457 Plan as a fund in the financial statements.

In 1997, the Town passed a resolution that required Town contributions for all employees to be equal (police and non-police). As such, the annual contribution to the Police 457 Plan may vary from year to year, and is equal to the difference between the Town’s contribution to ICMA (non-police) and FPPA (police). In 2023, the Town was required to match 0.14% of participating police officers’ compensation in the Police 457 Plan. Police officer contributions to the Police 457 Plan are subject to maximum allowable limits as established under the IRC.

The Police 457 Plan vests at a rate of 1.67% per month and is fully vested after five years. As of December 31, 2023, the Police 457 Plan had 1 employee fully-vested and 3 non-vested employees. Unvested Town contributions for employees who leave employment before five years are used to reduce the Town’s current period contribution requirement. There were no forfeitures and the Town's pension expense was $338 during the year ended December 31, 2023.

V. Other Information

A. Risk Management

The Town is exposed to various risks of loss related to workers' compensation and general liability. The Town has acquired commercial coverage for these risks and any settled claims are not expected to exceed the commercial insurance coverage. The Town is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. To address such risks, the Town is a participant in a public entity risk pool administered by Colorado Intergovernmental Risk Sharing Agency ("CIRSA").

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of $250,000 per claim or occurrence for property, $1,000,000 per claim or occurrence for liability, and $150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate such losses at December 31, 2023. Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

The Town's share of CIRSA's fund equity as of December 31, 2023 is:

Property and Casualty Pool:	**Equity Ratio**
Operating Fund	0.118%
Loss Fund	-0.118%
Excess Fund	-0.076%
Reserve Fund	0.100%
Workers' Compensation Pool:	
Operating Fund	0.569%
Loss Fund	-0.206%
Excess Fund	-0.581%
Reserve Fund	0.249%

CIRSA's combined financial information for the year ended December 31, 2023, is summarized as follows:

Assets:	
Cash and investments	$ 89,047,153
Other assets	5,801,302
Total Assets	$ 94,848,455
Total liabilities	$ 60,691,640
Net position	$ 34,156,815
Total Revenues	$ 44,242,681
Total Expenses	(54,284,668)
Change in Net Position	$ (10,041,987)

V. Other Information

B. Intergovernmental Agreement – Kremmling Sanitation District (the “District”)

On January 13, 2003, the Town entered into an intergovernmental agreement with the District for mutually beneficial cooperative use of personnel and equipment. The agreement has an initial term of one year with an automatic annual renewal unless otherwise agreed by the parties. The agreement calls for each entity to prepare monthly invoices to the other for hours worked and equipment used.

C. Contingencies

1. Federal and State Grants and Financial Sources

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

2. Legal Claims

During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. The Town and legal counsel intend to vigorously defend such claims. In the opinion of the Town’s management, such claims would 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.

REQUIRED SUPPLEMENTAL INFORMATION

Town of Kremmling, Colorado
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
General property taxes	190,000	190,000	197,143	7,143	198,859
Specific ownership taxes	11,000	11,000	12,536	1,536	12,917
General sales and use taxes	1,450,000	1,450,000	1,725,963	275,963	1,673,682
Selective use taxes:					
Cigarette taxes	1,500	1,500	3,099	1,599	2,705
Franchise taxes	45,000	45,000	58,742	13,742	43,385
Other taxes	5,000	5,000	31,490	26,490	21,064
Interest on delinquent taxes	400	400	610	210	497
Total - Taxes	1,702,900	1,702,900	2,029,583	326,683	1,953,109
Licenses and Permits:					
Business	3,425	3,425	8,922	5,497	4,148
Non-business	1,000	1,000	446	(554)	840
Total - Licenses and Permits	4,425	4,425	9,368	4,943	4,988
Intergovernmental:					
Road and bridge mill levy	2,000	2,000	3,244	1,244	-
Motor vehicle taxes	9,000	9,000	8,048	(952)	8,395
Highway users taxes	55,000	55,000	59,929	4,929	66,152
Severance taxes	1,000	1,000	2,536	1,536	3,906
Sanitation District reimbursement	16,000	16,000	49,179	33,179	23,903
State grants	-	-	5,194	5,194	10,400
Total - Intergovernmental	83,000	83,000	128,130	45,130	112,756
Charges for Services:					
Cemetery	1,000	1,000	6,300	5,300	1,950
Planning and zoning	1,000	1,000	9,325	8,325	545
Hangar rent	13,000	13,000	14,630	1,630	15,815
Other - Public Works	1,000	1,000	1,579	579	16,193
Total - Charges for Services	16,000	16,000	31,834	15,834	34,503
Fines and Forfeitures:					
Court	20,000	20,000	36,185	16,185	19,973
Interest:					
Interest	10,000	10,000	37,169	27,169	24,300
Miscellaneous Revenues:					
Other	-	-	13,246	13,246	10,493
Total Revenues	1,836,325	1,836,325	2,285,515	449,190	2,160,122

(Continued)

Town of Kremmling, Colorado
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)
(Continued)

	2023				2022
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:					
General Government:					
Judicial:					
Salaries and wages	12,000	12,000	9,813	2,187	8,723
Retirement and benefits	2,740	2,740	2,194	546	2,292
Professional services	10,500	10,500	9,032	1,468	8,551
Other	400	400	-	400	23
Total - Judicial	25,640	25,640	21,039	4,601	19,589
Mayor:					
Salaries and wages	37,800	37,800	27,250	10,550	5,300
Retirement and benefits	820	820	1,739	(919)	430
Other	1,000	1,000	1,185	(185)	592
Total - Mayor	39,620	39,620	30,174	9,446	6,322
Town Manager:					
Salaries and wages	70,500	70,500	70,767	(267)	67,742
Retirement and benefits	15,850	15,850	16,823	(973)	13,863
Other	3,300	3,300	4,581	(1,281)	9,142
Capital outlay	780	780	927	(147)	777
Total - Town Manager	90,430	90,430	93,098	(2,668)	91,524
Election:					
Salaries and wages	500	500	-	500	415
Other	2,000	2,000	4,498	(2,498)	1,541
Total - Election	2,500	2,500	4,498	(1,998)	1,956
Administration:					
Salaries and wages	122,400	122,400	137,057	(14,657)	185,506
Retirement and benefits	40,875	40,875	37,143	3,732	42,889
Professional services	76,000	76,000	109,232	(33,232)	70,566
Other	57,300	57,300	35,327	21,973	48,459
Utilities	8,000	8,000	7,463	537	7,756
Insurance	38,000	38,000	38,251	(251)	36,586
Capital outlay	50,000	100,000	32,028	67,972	-
Donations	102,000	102,000	93,668	8,332	56,494
Repairs and maintenance	1,200	1,200	248	952	1,168
Total - Administration	495,775	545,775	490,417	55,358	449,424

(Continued)

Town of Kremmling, Colorado
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)
(Continued)

	2023				2022
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures (continued):					
General Government (continued):					
Cemetery:					
Salaries and wages	20,995	20,995	17,383	3,612	3,259
Retirement and benefits	935	935	4,213	(3,278)	861
Other	6,250	6,250	5,624	626	2,789
Capital outlay	15,000	15,000	-	15,000	39,530
Utilities	500	500	380	120	390
Repairs and maintenance	500	500	-	500	520
Total - Cemetery	44,180	44,180	27,600	16,580	47,349
Airport:					
Other	2,000	2,000	-	2,000	-
Utilities	3,750	3,750	2,925	825	3,055
Total - Airport	5,750	5,750	2,925	2,825	3,055
Total - General Government	703,895	753,895	669,751	84,144	619,219
Public Safety:					
Police:					
Salaries and wages	417,998	417,998	377,306	40,692	391,545
Retirement and benefits	108,800	108,800	117,469	(8,669)	113,363
Professional services	100,000	100,000	37,955	62,045	55,895
Other	68,965	68,965	52,537	16,428	70,311
Capital outlay	120,000	120,000	69,697	50,303	27,981
Utilities	7,800	7,800	8,009	(209)	8,024
Dispatch fees	30,000	30,000	29,837	163	29,837
Repairs and maintenance	3,500	3,500	739	2,761	1,409
Vehicle expense	16,000	16,000	15,507	493	16,214
Total - Police	873,063	873,063	709,056	164,007	714,579
Mosquito Control:					
Other	80,000	80,000	65,183	14,817	51,669
Total Public Safety	953,063	953,063	774,239	178,824	766,248
Public Works:					
Salaries and wages	104,500	104,500	142,487	(37,987)	88,232
Retirement and benefits	31,100	31,100	65,361	(34,261)	28,629
Professional services	5,000	5,000	3,097	1,903	42,438
Other	33,500	33,500	16,899	16,601	10,084
Capital outlay	425,000	375,000	47,239	327,761	13,697
Utilities	29,700	29,700	23,847	5,853	26,711
Repairs and maintenance	50,000	50,000	36,065	13,935	33,293
Vehicle expense	10,000	10,000	5,939	4,061	6,582
Total - Public Works	688,800	638,800	340,934	297,866	249,666

(Continued)

Town of Kremmling, Colorado
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)
(Continued)

	2023				2022
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures (continued):					
Culture and Recreation - Parks:					
Salaries and wages	47,451	47,451	45,819	1,632	45,534
Retirement and benefits	6,550	6,550	12,156	(5,606)	5,958
Professional services	-	-	10	(10)	-
Other	12,000	12,000	12,388	(388)	18,637
Utilities	8,000	8,000	6,743	1,257	8,440
Repairs and maintenance	12,000	12,000	6,372	5,628	7,554
Capital outlay - Water	250,000	250,000	226,714	23,286	9,911
Total - Culture and Recreation	336,001	336,001	310,202	25,799	96,034
Total Expenditures	2,681,759	2,681,759	2,095,126	586,633	1,731,167
Excess (Deficiency) of Revenues Over Expenditures	(845,434)	(845,434)	190,389	1,035,823	428,955
Other Financing Sources (Uses):					
Transfers in	-	-	11,191	11,191	-
Insurance recoveries	-	-	-	-	908
Total Other Financing Sources (Uses)	-	-	11,191	11,191	908
Net Change in Fund Balance	(845,434)	(845,434)	201,580	1,047,014	429,863
Fund Balance - Beginning of Year	845,434	845,434	2,895,042	2,049,608	2,465,179
Fund Balance - End of Year	-	-	3,096,622	3,096,622	2,895,042

Town of Kremmling, Colorado
Schedule of the Town's Proportionate Share of Net Pension Asset/Liability
Fire and Police Pension Association of Colorado - Statewide Defined Benefit Plan
Last 10 Fiscal Years *

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Town's portion of the net pension asset/liability	0.013498%	0.012302%	0.008156%	0.016464%	0.021915%	0.026300%	0.025054%	0.026365%	0.027258%	0.028420%
Town's proportionate share of the net pension (asset)/liability	11,981	(66,670)	(17,707)	(9,312)	27,707	(37,837)	9,053	(465)	(30,763)	(25,413)
Town's covered payroll	234,861	198,071	231,150	242,700	293,600	269,200	256,450 #	255,625	245,150	246,875
Town's proportionate share of the net pension (asset)/liability as a percentage of its covered payroll	5%	-34%	-8%	-4%	9%	-14%	4%	0%	-13%	-10%
Plan fiduciary net position as a percentage of the total pension asset/liability	97.60%	116.20%	106.70%	101.90%	95.20%	106.30%	98.21%	100.10%	106.80%	105.80%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in calendar year 2013.

Town of Kremmling, Colorado
Schedule of Town Contributions
Fire and Police Pension Association of Colorado - Statewide Defined Benefit Plan
Last 10 Fiscal Years *

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	11,061	10,569	8,418	9,246	9,708	11,744	10,768	10,258	10,225	9,806
Contributions in relation to the contractually required contribution	(11,061)	(10,569)	(8,418)	(9,246)	(9,708)	(11,744)	(10,768)	(10,258)	(10,225)	(9,806)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Town's covered payroll	232,863	234,861	198,071	231,150	242,700	293,600	269,200	256,450	255,625	245,150
Contributions as a percentage of covered payroll	4.75%	4.50%	4.25%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in calendar year 2013.

I. Notes to the Schedule of Town's Proportionate Share of the Net Pension Liability

A. Changes to Assumptions or Other Inputs

1. Changes Since the January 1, 2023 Actuarial Valuation

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.

2. Changes Since the January 1, 2018 Actuarial Valuation

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate 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.

3. Changes Since the January 1, 2015 Actuarial Valuation

Effective January 1, 2016, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The occupationally disabled post-retirement mortality assumption uses the same table as used for healthy annuitants, except that is a three-year set-forward, meaning a disabled member age 70 will be valued as if they were a 73 year old healthy retiree. The totally disabled post-retirement mortality assumption uses the RP-2014 generational mortality tables for disabled annuitants, except an additional provision to apply a minimum 3% mortality probability to males and 2% mortality probability for females is included to reflect substantial impairment for this population. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

4. Changes Since the January 1, 2014 Actuarial Valuation

For determining the total pension liability, the RP-2014 Mortality Tables for Blue Collar Employees, projected with Scale BB, 55 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants, projected with Scale BB are used.

B. Changes of Benefit Terms

No changes during the years presented.

C. Changes of Size or Composition of Population Covered by Benefit Terms

No changes during the years presented.

II. Notes to the Schedule of Town Contributions

A. Changes to Assumptions or Other Inputs

No changes during the years presented.

B. Changes of Benefit Terms

No changes during the years presented.

C. Changes of Size or Composition of Population Covered by Benefit Terms

No changes during the years presented.

SUPPLEMENTARY INFORMATION

Town of Kremmling, Colorado
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2023

	Special Revenue Funds			
	Conservation Trust Fund	Recreation Fund	Grant Fund	Total
Assets:				
Cash and investments - Unrestricted	96,455	21,180	121,190	238,825
Total Assets	96,455	21,180	121,190	238,825
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	-	2,176	88	2,264
Unearned grant revenue	-	-	109,014	109,014
Total Liabilities	-	2,176	109,102	111,278
Fund Balances:				
Restricted	96,455	19,004	12,088	127,547
Total Fund Balances	96,455	19,004	12,088	127,547
Total Liabilities and Fund Balances	96,455	21,180	121,190	238,825

Town of Kremmling, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2023

	Special Revenue Funds			
	Conservation Trust Fund	Recreation Fund	Grant Fund	Total
Revenues:				
Intergovernmental	21,556	-	73,913	95,469
Charges for services	-	7,496	-	7,496
Contributions	30,000	-	-	30,000
Interest	116	-	-	116
Total Revenues	51,672	7,496	73,913	133,081
Expenditures:				
General government	-	-	73,913	73,913
Culture and recreation	51,652	5,637	-	57,289
Total Expenditures	51,652	5,637	73,913	131,202
Excess (Deficiency) of Revenues Over Expenditures	20	1,859	-	1,879
Other Financing (Uses):				
Transfers (out)	(11,191)	-	-	(11,191)
Total Other Financing (Uses)	(11,191)	-	-	(11,191)
Net Change in Fund Balances	(11,171)	1,859	-	(9,312)
Fund Balances - Beginning of Year	107,626	17,145	12,088	136,859
Fund Balances - End of Year	96,455	19,004	12,088	127,547

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

Town of Kremmling, Colorado
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Special Revenue Funds - Conservation Trust Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental - Colorado Lottery proceeds	10,000	10,000	21,556	11,556	19,172
Donations	-	30,000	30,000	-	-
Interest	150	150	116	(34)	116
Total Revenues	10,150	40,150	51,672	11,522	19,288
Expenditures:					
Culture and recreation:					
Conservation Trust expenditures	-	40,000	51,652	(11,652)	21,545
Total Expenditures	-	40,000	51,652	(11,652)	21,545
Excess of Revenues Over Expenditures	10,150	150	20	(130)	(2,257)
Other Financing (Uses):					
Transfers (out)	-	-	(11,191)	(11,191)	-
Total Other Financing (Uses)	-	-	(11,191)	(11,191)	-
Net Change in Fund Balance	10,150	150	(11,171)	(11,321)	(2,257)
Fund Balance - Beginning of Year	-	-	107,626	107,626	109,883
Fund Balance - End of Year	10,150	150	96,455	96,305	107,626

Town of Kremmling, Colorado
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Special Revenue Funds - Recreation Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Charges for services - Activity fees	3,000	7,546	7,496	(50)	2,710
Total Revenues	3,000	7,546	7,496	(50)	2,710
Expenditures:					
Culture and recreation:					
Activities	6,000	6,000	5,637	363	4,560
Total Expenditures	6,000	6,000	5,637	363	4,560
Excess (Deficiency) of Revenues Over Expenditures	(3,000)	1,546	1,859	313	(1,850)
Net Change in Fund Balance	(3,000)	1,546	1,859	313	(1,850)
Fund Balance - Beginning of Year	9,000	9,000	17,145	8,145	18,995
Fund Balance - End of Year	6,000	10,546	19,004	8,458	17,145

Town of Kremmling, Colorado
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Special Revenue Funds - Grant Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	2023			2022
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Intergovernmental - State grants	600	600	-	-
Intergovernmental - Federal grants	191,529	73,313	(118,216)	200,730
Total Revenues	192,129	73,913	(118,216)	200,730
Expenditures:				
Capital outlay - Administration	182,927	73,913	109,014	200,730
Total Expenditures	182,927	73,913	109,014	200,730
Net Change in Fund Balance	9,202	-	(9,202)	-
Fund Balance - Beginning of Year	182,927	12,088	(170,839)	12,088
Fund Balance - End of Year	192,129	12,088	(180,041)	12,088

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

Town of Kremmling, Colorado
Schedule of Revenues, Expenditures, and Transfers
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
Proprietary Funds - Water Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	2023			2022
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:				
Water sales	601,500	642,668	41,168	652,050
Miscellaneous income	6,150	6,355	205	10,117
Interest	101	13,248	13,147	4,262
Tap fees	10,000	106,000	96,000	10,000
Total Revenues	617,751	768,271	150,520	676,429
Expenditures:				
Administration:				
Salaries and wages	131,750	136,902	(5,152)	117,861
Retirement and benefits	39,000	53,346	(14,346)	27,669
Professional services	29,000	52,941	(23,941)	17,671
Other	11,850	15,028	(3,178)	13,094
Insurance	6,250	6,250	-	7,079
Capital outlay	-	-	-	22,310
Repairs and maintenance	1,000	-	1,000	923
Vehicle expense	2,500	5,367	(2,867)	6,703
Total - Administration	221,350	269,834	(48,484)	213,310
Water Plant:				
Professional services	45,000	59,213	(14,213)	48,514
Other	7,325	6,167	1,158	8,620
Utilities	39,000	34,312	4,688	37,264
Capital outlay	-	2,389	(2,389)	4,203
Repairs and maintenance	15,000	4,446	10,554	7,926
Chemicals	24,000	31,002	(7,002)	19,244
Total - Water Plant	130,325	137,529	(7,204)	125,771
Distribution System:				
Professional services	5,000	2,701	2,299	9,160
Other	750	533	217	1,088
Utilities	450	402	48	384
Repairs and maintenance	7,000	9,416	(2,416)	14,767
Total - Distribution System	13,200	13,052	148	25,399

(Continued)

Town of Kremmling, Colorado
Schedule of Revenues, Expenditures, and Transfers
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
Proprietary Funds - Water Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)
(Continued)

	2023			2022
	Original and Final Budget	**Actual**	**Final Budget Variance Positive (Negative)**	**Actual**
Expenditures (continued):				
Water Meters:				
Other	400	2,364	(1,964)	-
Capital outlay	80,000	-	80,000	-
Repairs and maintenance	500	-	500	-
Total - Water Meters	80,900	2,364	78,536	-
Water Supply:				
Other	1,300	1,200	100	1,200
Utilities	3,500	2,829	671	3,253
Repairs and maintenance	2,000	-	2,000	-
Total - Water Supply	6,800	4,029	2,771	4,453
Debt Service:				
Water revenue bonds - Principal	30,000	30,000	-	30,000
Water revenue bonds - Interest	10,000	5,637	4,363	7,438
Notes payable - Principal	55,000	56,733	(1,733)	54,421
Notes payable - Interest	47,000	43,975	3,025	46,285
Total - Debt Service	142,000	136,345	5,655	138,144
Total Expenditures	594,575	563,153	31,422	507,077
Excess (Deficiency) of Revenues Over Expenditures and Transfers - Budget (Non-GAAP) Basis	23,176	205,118	181,942	169,352
Reconciliation to GAAP Basis:				
Depreciation		(263,101)		(266,148)
Capitalized assets		-		22,310
Debt principal payments		86,733		84,421
Accrued interest change		3,819		1,872
Change in Net Position - GAAP Basis		32,569		11,807

Town of Kremmling, Colorado
Schedule of Revenues, Expenses, and Transfers
Budget and Actual
Proprietary Funds - Solid Waste Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Solid waste charges	292,755	322,118	321,581	(537)	298,704
Miscellaneous income	-	-	537	537	524
Total Revenues	292,755	322,118	322,118	-	299,228
Expenses:					
Salaries and wages	6,000	6,000	9,579	(3,579)	6,597
Retirement and benefits	5,763	5,763	6,185	(422)	2,533
Professional services	277,000	283,445	311,364	(27,919)	286,474
Other	11,500	11,500	8,004	3,496	11,399
Total Expenses	300,263	306,708	335,132	(28,424)	307,003
Change in Net Position	(7,508)	15,410	(13,014)	(28,424)	(7,775)

LOCAL HIGHWAY FINANCE REPORT

The Town Of

KREMMLING

Est. 1904

Town of Kremmling, Colorado
Local Highway Finance Report
December 31, 2023

Annual Highway Finance Report - CY23

Email address: manager@townofkremmling.org
City/County: Kremling

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	$	0.00
3. Other local imposts: *from A.3. 'Total' below)*	$	16,158.02
4. Miscellaneous local receipts: *from A.4. 'Total' below)*	$	36,185.30
5. Transfers from toll facilities	$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	$	0.00
b. ¦Bonds - Refunding Issues:	$	0.00
c. Notes:	$	0.00
SubTotal:	$	52,343.32
B. Private Contributions	$	0.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3.¦ Other local imposts

a. Property Taxes &and Assessments	$	0.00
b. Other Local Imposts		
1. Sales Taxes:	$	0.00
2. Infrastructure and Impact Fees:	$	0.00
3. Liens:	$	0.00
4. Licenses:	$	445.50
5. Specific Ownership and/or Other:	$	15,712.52
Total: *(a + b) carried to 'Other local imposts' above)*	$	16,158.02

A.4.¦ Miscellaneous local receipts

a. Interest on Investments:	$	0.00
b. Traffic fines and Penalities:	$	36,185.30
c. Parking Garage Fees:	$	0.00
d. Parking Meter Fees:	$	0.00
e. Sale of Surplus Property:	$	0.00
f. Charges for Services:	$	0.00
g. Other Misc. Receipts:	$	0.00
h. Other:	$	0.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$	36,185.30

C. Receipts from State Government

1. Highway User Taxes:	$	59,971.79
3. Other State funds:		
c. Motor Vehicle Registrations:	$	8,047.80
d. Other (Specify): Comments: undefined	$	0.00
e. Other (Specify): Comments: undefined	$	0.00
Total: *(1+3c,d,e)*	$	68,019.59

D. Receipts from Federal Government

2. Other Federal Agencies		
a. Forest Service:	$	0.00

b. FEMA:	$	0.00
c. HUD:	$	0.00
d. Federal Transit Administration:	$	0.00
e. U.S. Corp of Engineers	$	0.00
f. Other Federal:	$	0.00
Total: (2a-f)	$	0.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements		
1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	$	50,336.53
2. Maintenance:	$	19,902.87
3. Road and street services		
a. Traffic control operations:	$	971.87
b. ¦Snow and ice removal:	$	8,044.22
c. Other:	$	0.00
4. General administration and miscellaneous	$	41,107.42
5. Highway law enforcement and safety	$	0.00
Total: (A.1-5)	$	120,362.91
B. Debt service on local obligations		
1.¦ Bonds		
a.¦Interest	$	0.00
b.¦Redemption	$	0.00
2.¦ Notes		
a.¦Interest	$	0.00
b.¦Redemption	$	0.00
SubTotal: (1+2)	$	0.00
C. Payments to State for Highways:	$	0.00
D. Payments to Toll Facilities:	$	0.00

Total Disbursements: (A+B+C+D)	$ 120,362.91

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	$ 0.00	$ 0.00	$ 0.00
b. Engineering Costs:	$ 309.73	$ 2,787.59	$ 3,097.32
c. Construction			
1. New Facilities:	$ 0.00	$ 0.00	$ 0.00
2.¦Capacity Improvements:	$ 4,723.92	$ 42,515.29	$ 47,239.21
3. System Preservation:	$ 0.00	$ 0.00	$ 0.00
4. System Enhancement:	$ 0.00	$ 0.00	$ 0.00
5. Total Construction:			$ 47,239.21
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)			$ 50,336.53

Receipts, Disbursements & Costs

IV. Local Highway Debt Status

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
1. Bonds (Refunding Portion)		$ 0.00	$ 0.00	$ 0.00
B. Notes (Total):	$ 0.00	$ 0.00	$ 0.00	$ 0.00

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
$ 0.00	$ 120,362.91	$ 120,362.91	$ 0.00	$ 0.00

Notes and Comments:
undefined

Please enter your name: Ashley Macdonald

Please provide a telephone number where you may be reached: 9705316343