

**City of Gunnison
Gunnison, Colorado**

**Financial Statements
December 31, 2023**



**City of Gunnison, Colorado
Financial Report
December 31, 2023**

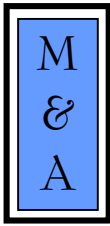
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INDEPENDENT AUDITOR'S REPORT

**To the Mayor and City Council
City of Gunnison**

Report on the Audit of the Financial Statements

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 City of Gunnison (the "City"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Emphasis of Matter

The City reclassified the Recreation Fund from a proprietary fund to a governmental fund due to funding sources being mostly governmental. This resulted in a restatement of government-wide net position as well as governmental fund balances as described in Note V.F. Our opinion is not modified with respect to this matter.

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

Member: American Institute of Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT
To the Mayor and City Council
City of Gunnison**

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 City'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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

INDEPENDENT AUDITOR'S REPORT
To the Mayor and City Council
City of Gunnison

Required Supplementary Information

U.S. GAAP require the Management's Discussion and Analysis in section B, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Contributions and the Schedule of Investment Returns 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 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.

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 City'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 Annual Schedule of Revenues and Expenditures for Roads, Bridges and Streets 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 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Gunnison, Colorado

Management's Discussion and Analysis December 31, 2023

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

Background Information

The City was incorporated in 1880. The predominant fund approach for the City is comprised of nine basic funds: the General Fund, five Special Revenue Funds, one Enterprise Fund, one Internal Service Fund and a Fiduciary Fund.

Financial Highlights

- The City had an increase in net position of \$10,073,861. The City's governmental activities increased net position by \$5,524,493 and business-type activities increased it by \$4,549,368.
- The City's governmental funds combined fund balances increased by \$4,294,372 primarily due to favorable increases in revenues including sales tax collections, a very large distribution from severance tax, and funds to support the Ohio Avenue Multi-Modal project.

Overview of the Financial Statements

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

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

The Statement of Net Position presents information on all City 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 City 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 (i.e. uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, public safety, streets, and parks and recreation. The business-type activities of the City include electric, water, sewer, refuse, and recreation services.

Overview of the Financial Statements (continued)

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 City, 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 City can be divided into three categories: governmental, proprietary and fiduciary funds.

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 spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a 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. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City adopts an annual appropriated budget for all funds to demonstrate compliance with the State budget statutes.

Proprietary funds: The City reports two categories of proprietary funds - Internal Service and Enterprise. The Fleet Service Fund, an internal service fund, provides vehicle and equipment replacement and maintenance services to the City's governmental and enterprise activities. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, sewer and refuse operations.

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 City, each of which is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages C7 through C9 of this report. The City also presents a budgetary comparison for its proprietary funds.

Fiduciary Funds: Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds. The Fiduciary Fund used by the City is the Volunteer Firefighters' Pension Fund. The basic Fiduciary Fund financial statements can be found in Section C of this report.

Notes to the Financial Statements: The notes provide additional information 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.

Overview of the Financial Statements (continued)

Government-wide Financial Analysis: The largest portion of the City's assets is reflected in the investment in capital assets (i.e. land, buildings, improvements, and equipment). Capital assets account for 69% of the total assets. The City uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position, the City's restricted net position has changed as follows:

	<u>1/1/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/23</u>
<i>General Fund:</i>				
Emergency reserves	\$ 384,000	\$ -	\$ 86,000	298,000
<i>Street Improvement Fund:</i>				
Road and bridge	3,224,133	1,183,082	-	4,407,215
<i>Conservation Trust:</i>				
Recreation	78,648	22,113	-	100,761
<i>Marijuana Mitigation:</i>				
Other	300,479	-	88,253	212,226
	<u>\$ 3,987,260</u>	<u>\$ 1,205,195</u>	<u>\$ 174,253</u>	<u>5,018,202</u>

The following graphs show the City's net position for 2022 and 2023:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets:		(as restated)		(as restated)		
Current and other assets	\$ 24,298,273	20,209,867	\$ 14,264,559	\$ 11,380,398	\$ 38,562,832	\$ 31,590,265
Capital assets	31,072,962	28,220,835	22,245,660	20,507,310	53,318,622	48,728,145
Total Assets	<u>55,371,235</u>	<u>48,430,702</u>	<u>36,510,219</u>	<u>31,887,708</u>	<u>91,881,454</u>	<u>80,318,410</u>
Liabilities:						
Other liabilities	1,445,318	1,850,919	2,014,513	1,470,725	3,459,831	3,321,644
Long-term liabilities	6,345,908	4,507,982	10,807,533	10,973,544	17,153,441	15,481,526
Total Liabilities	<u>7,791,226</u>	<u>6,358,901</u>	<u>12,822,046</u>	<u>12,444,269</u>	<u>20,613,272</u>	<u>18,803,170</u>
Deferred Inflows of Resources:						
Unavailable property tax revenue	489,959	432,910	-	-	489,959	432,910
Unavailable revenue - Other	1,428,172	1,501,506	-	304,634	1,428,172	1,806,140
Total Deferred Inflows of Resources	<u>1,918,131</u>	<u>1,934,416</u>	<u>-</u>	<u>304,634</u>	<u>1,918,131</u>	<u>2,239,050</u>
Net Position:						
Net investment in capital assets	28,067,947	24,099,637	11,665,936	9,599,664	39,733,883	33,699,301
Restricted	5,229,202	3,987,260	-	-	5,229,202	3,987,260
Unrestricted	12,364,729	12,050,488	12,022,237	9,539,141	24,386,966	21,589,629
Total Net Position	<u>\$ 45,661,878</u>	<u>\$ 40,137,385</u>	<u>\$ 23,688,173</u>	<u>\$ 19,138,805</u>	<u>\$ 69,350,051</u>	<u>\$ 59,276,190</u>

Overview of the Financial Statements (continued)

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same report can be made for the prior year.

The following chart is a summary of the City's Change in Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022 (as restated)	2023	2022 (as restated)	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 2,687,816	\$ 1,954,157	\$ 14,861,822	\$ 13,439,796	\$ 17,549,638	\$ 15,393,953
Operating grants & contributions	1,260,285	223,185	4,634	-	1,264,919	223,185
Capital grants & contributions	196,033	196,263	1,502,410	1,101,620	1,698,443	1,297,883
General revenues:						
Property taxes	426,555	424,504	-	-	426,555	424,504
Sales and use taxes	12,059,536	9,254,682	-	2,567,935	12,059,536	11,822,617
Other taxes	2,445,215	1,330,970	-	-	2,445,215	1,330,970
Investment earnings and other revenue	960,643	155,480	377,334	(408,809)	1,337,977	(253,329)
Total Revenues	20,036,083	13,539,241	16,746,200	16,700,542	36,782,283	30,239,783
Expenses:						
General government	2,668,003	2,127,665	-	-	2,668,003	2,127,665
Public safety	3,650,525	3,567,389	-	-	3,650,525	3,567,389
Streets	3,144,509	2,812,654	-	-	3,144,509	2,812,654
Parks & recreation	4,473,160	2,710,627	-	-	4,473,160	2,710,627
Economic development	502,848	1,241,306	-	-	502,848	1,241,306
Interest	72,545	-	-	-	72,545	-
Electric	-	-	6,589,855	6,400,942	6,589,855	6,400,942
Water	-	-	1,423,659	1,357,166	1,423,659	1,357,166
Sewer	-	-	3,270,979	3,120,584	3,270,979	3,120,584
Refuse	-	-	912,339	812,430	912,339	812,430
Recreation	-	-	-	1,662,072	-	1,662,072
Total Expenses	14,511,590	12,459,641	12,196,832	13,353,194	26,708,422	25,812,835
Change in Net Position before transfers	5,524,493	1,079,600	4,549,368	3,347,348	10,073,861	4,426,948
Transfers	-	811,576	-	(811,576)	-	-
Change in Net Position	5,524,493	1,891,176	4,549,368	2,535,772	10,073,861	4,426,948
Net Position - Beginning	40,137,385	38,246,209	19,138,805	16,603,033	59,276,190	54,849,242
Net Position - Ending	\$ 45,661,878	\$ 40,137,385	\$ 23,688,173	\$ 19,138,805	\$ 69,350,051	\$ 59,276,190

Governmental activities: Governmental activities increased the City's net position by \$5,524,493. Key elements of this increase are as follows:

- Sales and use tax increased due to increased economic activity.
- There was an increase in severance tax.

Overview of the Financial Statements (continued)

Business-type activities: Business-type activities increased the City's net position by \$4,549,368. Key elements of this change are as follows:

- Positive net income to plan for future capital expenditures

Financial Analysis of the City's Funds

As mentioned on page B1 of this analysis, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Available Resources: Available resources is defined as current assets minus current liabilities. Such information is useful in assessing the City's financing requirements by focusing on near term inflows, outflows, and balances of spendable resources. In particular, unreserved available resources (or fund balance in governmental funds) may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

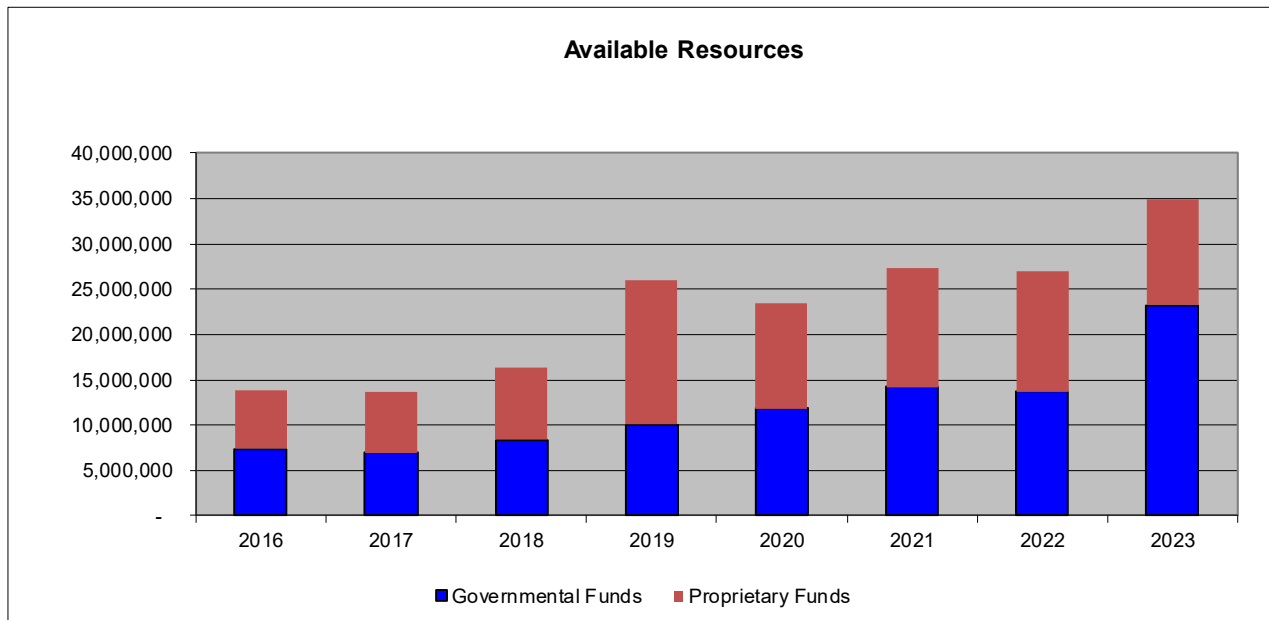
The City's available resources for 2023 is charted below:

	Beginning Available Resources	Increase (Decrease)	Ending Available Resources	2023 Expenditures	% of EAR to Expenditures
Governmental Funds:					
General Fund	6,814,215	3,177,835	9,992,050	11,857,974	84%
Conservation Trust Fund	78,649	22,112	100,761	53,555	188%
Ditch Fund	203,048	31,319	234,367	32,958	711%
Risk Management Fund	231,638	18,421	250,059	318,227	79%
Street Improvement Fund	3,224,133	1,185,407	4,409,540	2,911,769	151%
Marijuana Mitigation Fund	300,479	(88,253)	212,226	350,457	61%
Recreation Department	4,246,278	352,529	4,598,807	4,379,823	105%
Firefighters' Pension Fund	2,183,309	139,485	2,322,794	272,663	852%
Business-Type Funds:					
Enterprise Fund:					
Electric Department	6,541,030	1,970,372	8,511,402	7,070,063	120%
Water Department	985,026	190,234	1,175,260	1,874,647	63%
Waste Water Department	976,387	658,095	1,634,482	3,043,937	54%
Refuse Department	539,250	(285,913)	253,337	1,646,676	15%
Internal Service Fund:					
Fleet Management	692,488	444,532	1,137,020	1,304,743	87%
	<u>27,015,930</u>	<u>7,816,175</u>	<u>34,832,105</u>	<u>35,117,492</u>	<u>99%</u>

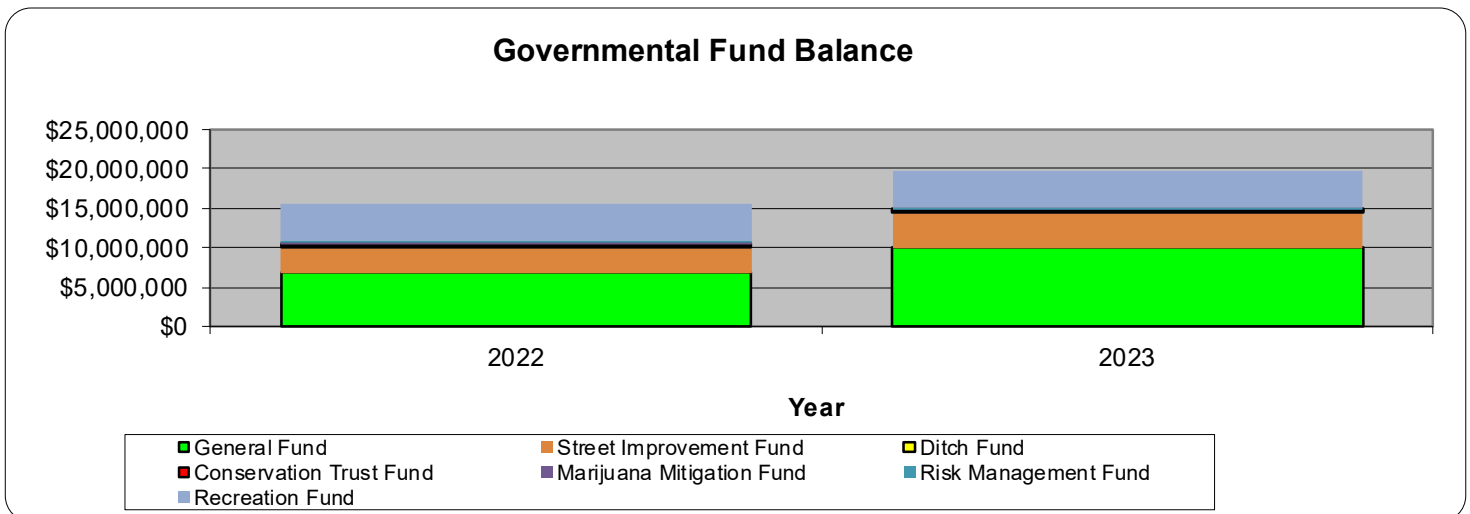
Financial Analysis of the City's Funds (continued)

Available Resources (continued):

The following chart represents the City's available resources for the past several years:



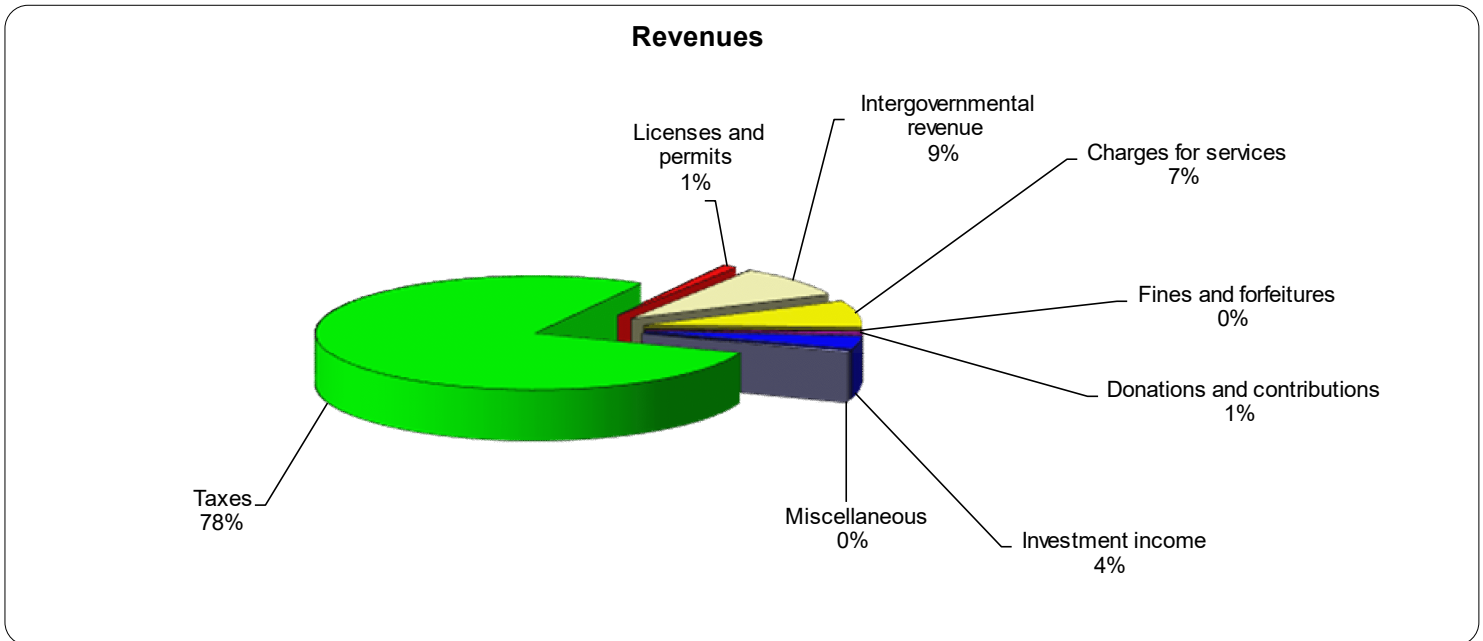
Governmental funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,797,810, an increase of \$4,294,372 from the prior year ending fund balances. The City's fund balances for past two years are presented in graph format below.



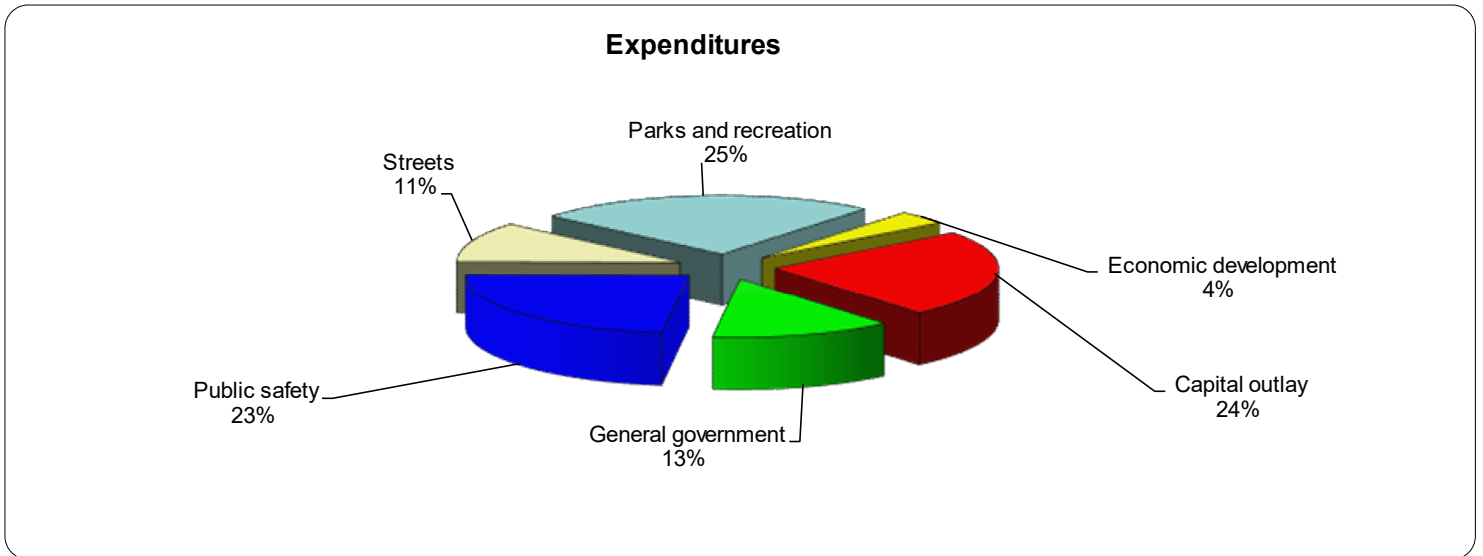
Financial Analysis of the City's Funds (continued)

Governmental funds (continued):

The City's total governmental funds' revenues were from the following sources:



The following is a graph of the City's governmental funds' expenditures by function for 2023:



Proprietary funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Financial Analysis of the City's Funds (continued)

Budget variances in the General Fund: The City's significant General Fund budget variances are detailed as follows:

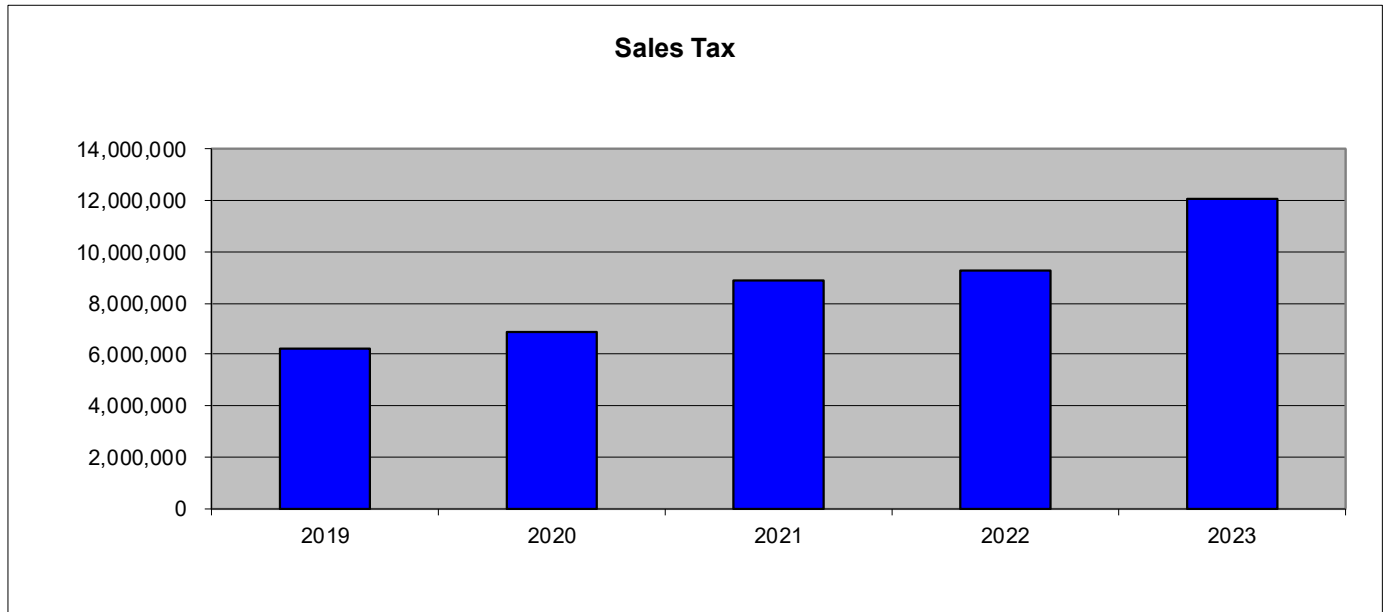
	Final Budget	Actual	Variance	Reason
Revenues:				
Sales & use tax	\$6,437,564	\$6,771,892	\$ 334,328	Conservative budgeting
Other taxes	76,793	1,092,504	1,015,711	Severance tax
Grant revenue	954,292	454,226	(500,066)	Less progress on the Energy Performance Contract that crossed both the 2023 and 2024 fiscal years
Total Revenues	9,466,417	11,403,337	1,936,920	
Expenditures:				
Police	3,270,284	3,028,243	242,041	Staff vacancies
Capital outlay and repairs	5,421,485	2,554,957	2,866,528	Less progress on the Energy Performance Contract that crossed both the 2023 and 2024 fiscal years
Transfer in	1,553,680	1,290,836	(262,844)	Projects to be funded from other recreation improvements were not commenced such as the Cranor Hill Garage and engineering for the Van Tuyl Bridge
Total Expenditures	16,812,154	12,789,072	3,425,390	

Capital assets: The City's government-wide capital assets, net of accumulated depreciation/amortization, increased due to additions in the current year. Additional information as well as a detailed classification of the City's net capital assets can be found in the Notes to the Financial Statements on pages D15 and D16 of this report.

Long-term debts: As of the end of the current fiscal year, the City had \$17,153,441 in total long-term obligations. More detail about the City's long-term obligations can be found on pages D16-D21.

Financial Analysis of the City's Funds (continued)

Sales and Use Tax: The City has 4% sales and use tax that is used to fund its governmental operations. The increase in sales tax from 2022 was \$2,804,854 or 30%. The following chart indicates changes in the sales tax over the past five years. The chart does not take into account revenue sharing agreements.



Next year's budget and rates: The City's General Fund balance at the end of the current fiscal year was \$9,992,050. The City's 2024 budget anticipates an ending General Fund balance of \$4,116,246.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Finance Director, P.O. Box 239, Gunnison, Colorado 81230.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Gunnison, Colorado
Statement of Net Position
December 31, 2023

Assets:	Governmental Activities	Business- type Activities	Total
Current assets:			
Cash and investments - Unrestricted	18,123,262	9,380,045	27,503,307
Cash and investments - Restricted	2,391,522	-	2,391,522
Accounts, taxes, and interest receivable	2,970,098	2,736,265	5,706,363
Due from other governments	684,330	-	684,330
Prepaid expenses	110,865	8,556	119,421
Inventory	18,196	2,139,693	2,157,889
Total current assets	24,298,273	14,264,559	38,562,832
Capital assets:			
Land	2,928,848	726,455	3,655,303
Construction in progress	2,662,761	6,496	2,669,257
Land improvements	16,666,740	-	16,666,740
Buildings and improvements	20,438,269	23,918,720	44,356,989
Vehicles	3,735,572	-	3,735,572
Machinery and equipment	5,473,829	9,994,891	15,468,720
Subscription based IT arrangements	83,605	120,893	204,498
Less accumulated depreciation/amortization	(20,916,662)	(12,521,795)	(33,438,457)
Total capital assets (net of accumulated depr./amort.)	31,072,962	22,245,660	53,318,622
Total assets	55,371,235	36,510,219	91,881,454
Liabilities:			
Current liabilities:			
Accounts payable	1,104,031	1,897,385	3,001,416
Accrued payroll	168,727	44,861	213,588
Accrued expenses	169,085	-	169,085
Bond interest	1,175	37,667	38,842
Deposits	2,300	34,600	36,900
Total current liabilities	1,445,318	2,014,513	3,459,831
Noncurrent liabilities:			
Compensated absences	484,598	131,053	615,651
Accrued expenses	-	5,000	5,000
Bonds payable:			
Due within one year	410,000	-	410,000
Due in more than one year	3,065,000	-	3,065,000
Subscription based IT arrangements payable:			
Due within one year	29,564	29,849	59,413
Due in more than one year	25,209	61,907	87,116
Loans payable:			
Due within one year	-	580,843	580,843
Due in more than one year	-	9,716,125	9,716,125
Financed purchases payable:			
Due within one year	4,851	64,872	69,723
Due in more than one year	2,326,686	217,884	2,544,570
Total noncurrent liabilities	6,345,908	10,807,533	17,153,441
Total liabilities	7,791,226	12,822,046	20,613,272
Deferred Inflows of Resources:			
Unavailable property tax revenue	489,959	-	489,959
Unavailable revenue - Other	1,428,172	-	1,428,172
Total deferred inflows of resources	1,918,131	-	1,918,131
Net Position:			
Net Investment in capital assets	28,067,947	11,665,936	39,733,883
Restricted	5,229,202	-	5,229,202
Unrestricted	12,364,729	12,022,237	24,386,966
Total Net Position	45,661,878	23,688,173	69,350,051

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

City of Gunnison, Colorado
Statement of Activities
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	Primary Government		
					Governmental Activities	Business-type Activities	Total
Functions/Programs							
Primary government:							
Governmental activities:							
General government	2,700,693	732,964	233,860	-	(1,733,869)	-	(1,733,869)
Public safety	3,650,525	14,605	62,642	-	(3,573,278)	-	(3,573,278)
Streets	3,144,509	953,059	813,652	196,033	(1,181,765)	-	(1,181,765)
Parks and recreation	4,473,160	948,539	150,131	-	(3,374,490)	-	(3,374,490)
Economic development	502,848	38,649	-	-	(464,199)	-	(464,199)
Interest	72,545	-	-	-	(72,545)	-	(72,545)
Total Governmental Activities	<u>14,544,280</u>	<u>2,687,816</u>	<u>1,260,285</u>	<u>196,033</u>	<u>(10,400,146)</u>	<u>-</u>	<u>(10,400,146)</u>
Business-type activities:							
Electric	6,589,855	8,918,249	-	810,000	-	3,138,394	3,138,394
Water	1,423,659	1,748,636	-	280,070	-	605,047	605,047
Sewer	3,270,979	3,215,608	-	412,340	-	356,969	356,969
Refuse	912,339	979,329	4,634	-	-	71,624	71,624
Total Business-type Activities	<u>12,196,832</u>	<u>14,861,822</u>	<u>4,634</u>	<u>1,502,410</u>	<u>-</u>	<u>4,172,034</u>	<u>4,172,034</u>
Total Primary Government	<u><u>26,741,112</u></u>	<u><u>17,549,638</u></u>	<u><u>1,264,919</u></u>	<u><u>1,698,443</u></u>	<u><u>(10,400,146)</u></u>	<u><u>4,172,034</u></u>	<u><u>(6,228,112)</u></u>
General Revenues:							
Property tax, levied for general purposes					426,555	-	426,555
Specific ownership tax					45,830	-	45,830
General sales and use tax					12,059,536	-	12,059,536
Franchise tax					1,004,810	-	1,004,810
Real estate transfer assessment					302,071	-	302,071
Other miscellaneous taxes					1,092,504	-	1,092,504
Investment earnings					393,434	158,181	551,615
Unrealized gains (losses)					328,311	148,930	477,241
Grants and contributions not restricted to any program					271,588	-	271,588
Gain on disposal of assets					-	70,223	70,223
Total General Revenues, Special Items, and Transfers					<u>15,924,639</u>	<u>377,334</u>	<u>16,301,973</u>
Change in Net Position					<u>5,524,493</u>	<u>4,549,368</u>	<u>10,073,861</u>
Net Position - Beginning (as restated)					<u>40,137,385</u>	<u>19,138,805</u>	<u>59,276,190</u>
Net Position - Ending					<u><u>45,661,878</u></u>	<u><u>23,688,173</u></u>	<u><u>69,350,051</u></u>

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

FUND FINANCIAL STATEMENTS

**City of Gunnison, Colorado
Balance Sheet
Governmental Funds
December 31, 2023**

	General	Street Improvement Fund	Ditch Fund	Recreation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Cash and investments - Unrestricted	7,819,545	3,761,002	234,468	4,588,133	551,336	16,954,484
Cash and investments - Restricted	2,391,522	-	-		-	2,391,522
Receivables, net of allowance for uncollectibles	1,620,088	809,775	-	28,502	21,633	2,479,998
Property tax receivable	489,959	-	-		-	489,959
Due from other governments	684,330	-	-		-	684,330
Inventories	-	-	-	18,196	-	18,196
Prepaid expenses	106,369	2,325	-	882	-	109,576
Total Assets	13,111,813	4,573,102	234,468	4,635,713	572,969	23,128,065
Liabilities and Fund Equity:						
Liabilities:						
Accounts payable	912,769	129,957	101	9,527	9,923	1,062,277
Accrued payroll	133,334	8,605	-	20,349	-	162,288
Accrued expenses	163,229	15,000	-	7,030	-	185,259
Deposits	2,300	-	-		-	2,300
Total Liabilities	1,211,632	153,562	101	36,906	9,923	1,412,124
Deferred inflows of resources:						
Unavailable property tax revenue	489,959	-	-		-	489,959
Unavailable revenue - other	1,418,172	10,000	-		-	1,428,172
Total deferred inflows of resources	1,908,131	10,000	-	-	-	1,918,131
Fund Balances:						
Unspendable	106,369	2,325	-	882	-	109,576
Spendable:						
Restricted for emergencies	509,000	-	-	-	-	509,000
Restricted for road and bridge	-	4,407,215	-	-	-	4,407,215
Restricted for recreation	-	-	-	-	100,761	100,761
Restricted - other	-	-	-	-	212,226	212,226
Committed	-	-	234,367	-	-	234,367
Assigned	-	-	-	4,597,925	250,059	4,847,984
Unassigned	9,376,681	-	-	-	-	9,376,681
Total Fund Balances	9,992,050	4,409,540	234,367	4,598,807	563,046	19,797,810
Total Liabilities, Deferred Inflows of Resources and Fund Balances	13,111,813	4,573,102	234,468	4,635,713	572,969	23,128,065

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

City of Gunnison
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
December 31, 2023

Governmental Funds Total Fund Balance	19,797,810
Add:	
Capital assets used in governmental activities (excluding internal service fund) are not considered current financial resources and, therefore, not reported in the governmental funds.	47,717,205
Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	3,875,400
Less:	
Accumulated depreciation/amortization (excluding internal service fund) is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(19,407,551)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. This is the amount of long-term liabilities:	
Compensated absences	(459,676)
2021A Refunding SUTR Bonds	(3,475,000)
2023 Energy Financed Purchase	(2,331,537)
Subscription liabilities	(54,773)
Governmental Activities Net Position	45,661,878

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

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

	<u>General</u>	<u>Street Improvement Fund</u>	<u>Ditch Fund</u>	<u>Recreation Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Taxes	9,597,832	2,457,423	-	2,647,881	256,671	14,959,807
Licenses and permits	200,980	-	-		-	200,980
Intergovernmental revenue	573,441	1,009,685	54,862		78,159	1,716,147
Charges for services	429,014	36,917	-	676,294	305,856	1,448,081
Fines and forfeitures	15,872	32,615	-		-	48,487
Investment income	215,374	51,481	4,662	86,659	17,008	375,184
Unrealized gains (losses)	162,241	54,648	4,753	78,023	16,760	316,425
Donations and contributions	115,857	-	-	3,405	-	119,262
Miscellaneous	92,726	-	-	8,891	66	101,683
Total Revenues	<u>11,403,337</u>	<u>3,642,769</u>	<u>64,277</u>	<u>3,501,153</u>	<u>674,520</u>	<u>19,286,056</u>
Expenditures:						
General government	1,775,460	-	-		318,227	2,093,687
Public safety	3,574,356	-	-		145,000	3,719,356
Public works	136,687	1,602,243	32,958		-	1,771,888
Culture and recreation	1,953,309	-	-	2,011,289	-	3,964,598
Economic development	582,158	-	-		-	582,158
Capital outlay	2,554,957	1,298,022	-		29,669	3,882,648
Debt service	80,864	11,504	-	435,138	-	527,506
Total Expenditures	<u>10,657,791</u>	<u>2,911,769</u>	<u>32,958</u>	<u>2,446,427</u>	<u>492,896</u>	<u>16,541,841</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>745,546</u>	<u>731,000</u>	<u>31,319</u>	<u>1,054,726</u>	<u>181,624</u>	<u>2,744,215</u>
Other Financing Sources (Uses):						
Sale of asset	10,100	-	-	42,000	-	52,100
Financed purchase proceeds	2,331,537	-	-	-	-	2,331,537
Transfers in	1,290,836	454,407	-	784,200	-	2,529,443
Transfers (out)	(1,200,184)	-	-	(1,933,396)	(229,343)	(3,362,923)
Total Other Financing Sources (Uses)	<u>2,432,289</u>	<u>454,407</u>	<u>-</u>	<u>(1,107,196)</u>	<u>(229,343)</u>	<u>1,550,157</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>3,177,835</u>	<u>1,185,407</u>	<u>31,319</u>	<u>(52,470)</u>	<u>(47,719)</u>	<u>4,294,372</u>
Fund Balances - Beginning (as restated)	<u>6,814,215</u>	<u>3,224,133</u>	<u>203,048</u>	<u>4,651,277</u>	<u>610,765</u>	<u>15,503,438</u>
Fund Balances - Ending	<u>9,992,050</u>	<u>4,409,540</u>	<u>234,367</u>	<u>4,598,807</u>	<u>563,046</u>	<u>19,797,810</u>

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

City of Gunnison
Reconciliation of Revenues, Expenditures and Changes in Fund
Balances (Deficit) of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2023

Governmental Funds Changes in Fund Balances	4,294,372
Add:	
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 and reported as depreciation expense. This is the amount of capitalized assets during the year.	3,928,850
The issuance of long-term debt provides current financial resources to governmental funds. The government-wide statements show these as an increase in the long-term liabilities.	(2,331,537)
Retirement of debt principal and bonds outstanding on the City's debt result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these as reduction against the long-term liabilities.	433,831
Less:	
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 and reported as depreciation/amortization expense. This is the depreciation/amortization expense for the year.	(1,192,055)
Changes in the City employees' accrued compensated absences are considered changes in long-term liabilities. This is the amount that accrued compensated absences decreased.	(79,066)
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net income or loss of the internal service funds are included in the governmental statement of activities.	680,816
Assets disposed of prior to being fully depreciated are charged off upon disposition. This represents the assets disposed of during the year.	(210,718)
Governmental Activities Change in Net Position	5,524,493

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

City of Gunnison
Statement of Net Position
Proprietary Funds
December 31, 2023

	Enterprise Fund	Internal Service Fund
Assets:		
Current assets:		
Cash and investments - unrestricted	9,380,045	1,168,779
Accounts receivables, net of allowance for uncollectibles	2,736,264	142
Inventories	2,139,694	1,289
Prepaid expenses	8,556	-
Total current assets	14,264,559	1,170,210
Non-current assets:		
Land	726,455	-
Construction in progress	6,496	-
Building and improvements	23,918,721	301,368
Machinery and equipment	9,994,890	3,971,050
Subscription based IT arrangements	120,893	-
Less: Accumulated depreciation	(12,521,795)	(1,509,116)
Total non-current assets	22,245,660	2,763,302
Total Assets	36,510,219	3,933,512
Liabilities:		
Current liabilities:		
Accounts payable	1,897,386	26,751
Accrued payroll	44,861	6,439
Long term debt interest payable	37,667	-
Deposits held	34,600	-
Non-current liabilities due within one year:		
Financed purchases	64,872	-
Subscription based IT arrangements	29,849	-
Loans	580,843	-
Total current liabilities	2,690,078	33,190
Non-current liabilities:		
Accrued compensated absences	131,052	24,922
Accrued expenses	5,000	-
Non-Current Liabilities - due longer than one year:		
Financed purchases	217,884	-
Subscription based IT arrangements	61,907	-
Loans	9,716,125	-
Total non-current liabilities	10,131,968	24,922
Total Liabilities	12,822,046	58,112
Net Position:		
Net Investment in capital assets	11,574,180	2,763,302
Unrestricted	12,113,993	1,112,098
Total Net Position	23,688,173	3,875,400

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

City of Gunnison
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Enterprise Fund	Internal Service Fund
Operating Revenue:		
Utility sales	14,803,327	779,508
Other revenue	58,495	2,568
Operating Revenue	14,861,822	782,076
Operating Expenses:		
Salaries and employee benefits	6,493,004	-
Purchased power	1,090	-
Purchased services	2,038,796	-
Operations and maintenance	1,982,817	-
Supplies	248,344	-
Depreciation and amortization	1,222,023	289,693
Fleet expenditures	-	772,603
Operating Expenses	11,986,074	1,062,296
Operating income (loss)	2,875,748	(280,220)
Non-Operating Revenues (Expenses):		
Interest revenue	158,181	16,019
Interest expense	(178,033)	-
Unrealized gain (loss)	148,933	14,109
Grants and contributions	1,507,044	-
Sale of fixed assets	37,495	97,428
Total Non-Operating Revenues (Expenses)	1,673,620	127,556
Income (Loss) Before Contributions and Transfers	4,549,368	(152,664)
Transfers in	-	833,480
Change in Net Position	4,549,368	680,816
Total Net Position - Beginning (as restated)	19,138,805	3,194,584
Total Net Position - Ending	23,688,173	3,875,400

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

City of Gunnison
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Cash received from customers for services	13,395,750	-	13,395,750
Cash received from interfund charges	-	779,627	779,627
Other cash received (paid)	(244,433)	2,568	(241,865)
Cash paid for goods and services	(4,448,894)	(790,445)	(5,239,339)
Cash paid for employment services	(6,463,315)	7,012	(6,456,303)
Net Cash Provided (Used) by Operating Activities	<u>2,239,108</u>	<u>(1,238)</u>	<u>2,237,870</u>
Cash Flows From Non-Capital Financing Activities:			
Grants and contributions	4,634	-	4,634
Transfers in	-	833,480	833,480
Net Cash Provided by Non-Capital Financing Activities	<u>4,634</u>	<u>833,480</u>	<u>838,114</u>
Cash Flows From Capital Financing Activities:			
Purchase of fixed assets	(3,019,256)	(434,714)	(3,453,970)
Proceeds on sale of fixed assets	85,097	-	85,097
Debt proceeds	361,528	-	361,528
Grants and contributions	1,502,410	-	1,502,410
Interest paid	(178,033)	-	(178,033)
Principal paid	(555,415)	(223,554)	(778,969)
Net Cash (Used) by Capital Financing Activities	<u>(1,803,669)</u>	<u>(658,268)</u>	<u>(2,461,937)</u>
Cash Flows From Investing Activities:			
Interest received	307,114	30,128	337,242
Net Cash Provided by Investing Activities	<u>307,114</u>	<u>30,128</u>	<u>337,242</u>
Net Increase (Decrease) in Cash and Cash Equivalents	747,187	204,102	951,289
Cash and Cash Equivalents - Beginning	8,632,858	964,677	9,597,535
Cash and Cash Equivalents - Ending	<u>9,380,045</u>	<u>1,168,779</u>	<u>10,548,824</u>
Reconciliation of Operating (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Operating (loss)	2,875,748	(280,220)	2,595,528
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Depreciation	1,222,023	289,693	1,511,716
(Increase) decrease in accounts receivable	(1,407,577)	119	(1,407,458)
(Increase) decrease in inventories	(685,241)	-	(685,241)
(Increase) decrease in prepaid expenses	830	(1,150)	(320)
Increase (decrease) in accounts payable	506,564	(16,694)	489,870
Increase (decrease) in compensated absences	22,816	6,163	28,979
Increase (decrease) in deposits	1,706	-	1,706
Increase (decrease) in deferred revenue	(304,634)	-	(304,634)
Increase (decrease) in accrued wages	6,873	851	7,724
Total Adjustments	<u>(636,640)</u>	<u>278,982</u>	<u>(357,658)</u>
Net Cash Provided (Used) by Operating Activities	<u>2,239,108</u>	<u>(1,238)</u>	<u>2,237,870</u>
Noncash investing, capital, and financing activities:			
Borrowing under financed purchase	361,528	-	361,528

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

City of Gunnison
Statement of Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2023

	<u>Volunteer Firefighters' Pension Fund</u>
Assets	
Cash and investments	2,287,572
Accounts receivable	<u>35,222</u>
Total Assets	<u>2,322,794</u>
Net Position	
Net position - held in trust for pension benefits	<u><u>2,322,794</u></u>

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

City of Gunnison
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2023

	<u>Volunteer Firefighters' Pension Fund</u>
Additions	
Contributions	
City	40,510
District	40,510
State	54,662
Earnings on investments	<u>276,466</u>
Total Additions	<u>412,148</u>
Deductions	
Benefits	255,750
Expenses	<u>16,913</u>
Total Deductions	<u>272,663</u>
Change in net position	139,485
Net position at beginning of year	<u>2,183,309</u>
Net position at end of year	<u><u>2,322,794</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

City of Gunnison
Notes to the Financial Statements
December 31, 2023

I. Summary of Significant Accounting Policies

The City of Gunnison (the "City"), was incorporated in 1880 and adopted its Home Rule Charter during 1962. The City operates under a Council-Manager form of government. The City's major operations include public safety (police and fire); highways and streets; sanitation; health and social services; culture - recreation; education; public improvements; planning and zoning; and general administrative services.

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

A. Reporting Entity

The reporting entity consists of the primary government and component units. Component units are legally separate entities that are included in a government's reporting entity because of the significance of their operating or financial relationships with the government. The City has not included any component units.

B. Joint Venture

The City participates in a joint venture created for special purposes, which are not part of the City's reporting entity. Additional information regarding the City's participation in the joint venture is provided in Note V. The following is a description of the joint venture in which the City participates:

Gunnison/Hinsdale Combined Emergency Telephone Service Authority - The City is one of 10 local governments which are members of the Gunnison/Hinsdale Combined Emergency Telephone Service Authority (the "Gunnison/Hinsdale Authority"). The Gunnison/Hinsdale Authority is an organization created by intergovernmental agreement in 1998 solely to provide for the operation of the emergency telephone service programs. Gunnison/Hinsdale Authority is governed by a seven (7) member board selected as defined in Article III of the agreement. The governing board is autonomous as to budgeting and fiscal matters.

The investment in the joint venture was recorded as an expenditure at the time the investment was made. Complete financial statements of the joint venture can be obtained from:

Gunnison/Hinsdale Combined Emergency
Telephone Service Authority
P.O. Box 239
Gunnison, Colorado 81230

C. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's public safety, road maintenance, culture and recreation, and administration are classified as governmental activities. The City's water and sewer utilities are classified as business activities.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

I. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements (continued)

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts—net investment in capital assets; restricted; and unrestricted.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public safety, highways and streets, utilities, etc.). The functions are also supported by general government revenues (property and sales taxes, intergovernmental revenue, fines and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, roads, 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 net costs (by function or business-type activity) are normally covered by general revenue (property and sales taxes, interest income, etc.).

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

2. Categories and Classification of Fund Balance

Governmental accounting standards establishes 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 funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. 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. For further details of the various fund balance classifications refer to Note I (C) (3) below.

3. Fund Balance Disclosure

The City classifies governmental fund balances as follows:

Unspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

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.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

I. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements (continued)

3. Fund Balance Disclosure (continued)

Spendable Fund Balance: (continued)

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 City Board. The City’s original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the City Board platform to review, and/or make changes to each department’s budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to City Board via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after City Board approval, must be presented via a public process and again approval by City 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 City Board or its management designee.

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 City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy. However, the City’s budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to City Board.

4. Fund Financial Statements

The financial transactions of the City 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 City reports the following major governmental funds:

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

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

I. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements (continued)

4. Fund Financial Statements (continued)

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The City reports the following special revenue funds:

The *Street Improvement Fund* accounts for revenues derived from sales and use tax specifically for streets, as well as other revenues restricted for street improvements.

The *Ditch Fund* accounts for revenues derived from mineral leasing revenues or other earmarked revenue sources which finance specific activities as required by law or administrative action.

The *Recreation Fund* accounts for revenues derived from sales and use tax, as well as other program fees which finance specific activities for recreation.

The *Conservation Trust Fund* accounts for revenues derived from state lottery revenues or other earmarked revenue sources which finance specific activities as required by law or administrative action.

The *Marijuana Mitigation Fund* accounts for revenues derived from marijuana sales taxes which finance specific activities as required by law.

The *Risk Management Fund* accounts for revenues derived from insurance contributions which finance specific activities as required by law or administrative action.

Proprietary Funds

The City reports the following proprietary or business-type funds:

The *Enterprise Fund* accounts for the activities of the following departments: Electric, Water, Sewer, Refuse and Communication.

The *Internal Service Fund* accounts for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has one non-major internal service fund, the Fleet Management Fund.

Fiduciary Fund

The *Volunteer Firefighters' Pension Fund* accounts for retirement benefits for the volunteer firefighters.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

I. Summary of Significant Accounting Policies (continued)

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.

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 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 or 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 City'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, Cash Equivalents and Investments

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 City.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents and Investments (continued)

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

The City's investment policy 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 Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Certain Money Market Mutual Funds

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Prepaid expenses

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

4. Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased on the fund financial statements.

5. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflow of resources.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

6. Capital Assets

Capital assets, which include land, buildings and other improvements, machinery and equipment, infrastructure and vehicle assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

The City defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred. Infrastructure, buildings, and equipment are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	15 - 65
Buildings and improvements	15 - 50
Land improvements	15 - 25
Machinery and equipment	5 - 30
Licensed vehicles	5 - 8
Subscription assets	2 - 20

7. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City doesn't have any items that qualify for reporting in this category at December 31, 2023.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. Accordingly, these items, unavailable property tax revenue, and unavailable revenue, are deferred and recognized as inflows of resources in the period that the amounts become available.

8. Compensated Absences

Earned but unused vacation benefits of governmental funds are accrued when incurred in the governmental activities column in the government-wide financial statements. Earned but unused vacation benefits of the proprietary funds are accrued when incurred as an expense and liability of the proprietary fund where the payroll is paid.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

9. Subscription Based Information Technology Arrangements (SBITA)

The City has entered into various SBITAs. The City recognizes a SBITA liability and an intangible right-to-use subscription asset in the government-wide financial statements and proprietary statement of net position. The City recognizes subscription assets and liabilities with an initial contract value of \$5,000 or more for subscriptions.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to SBITAs included the following:

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the third party is not provided, the City generally uses the estimated incremental borrowing rate as the discount rate.
- The subscription term includes the noncancelable period of the subscription.
- Subscription payments included in the measurement of the subscription liability is composed of the fixed payments.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

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 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 that capital assets are recorded as assets when purchased and depreciated over the life of the assets. Net capital assets (excluding internal service fund) of \$28,309,654 represents capitalized costs of \$47,717,205 and accumulated depreciation/amortization of \$19,407,551.

Another element of that reconciliation states that "Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position." The result in an increase in net position of \$3,875,400 within governmental activities.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position (continued)

Another element of that reconciliation states that "Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The amount of long-term debt is comprised of compensated absences payable of \$459,676, bonds payable of \$3,475,000, financed purchase of \$2,331,537 and \$54,773 of subscription liabilities.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "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/amortization expense". The details of the net difference are net capital outlay of \$3,928,850 less depreciation/amortization expense of \$1,192,055.

Another element of that reconciliation states that "Changes in the City employees' accrued compensated absences are considered changes in long-term liabilities". The amount that accrued compensated absences decreased is \$79,066.

Another element of that reconciliation states that "Internal service funds are used by management to charge costs of various activities to the general and other funds. The net income or loss of the internal service funds are included in the governmental activities statement of activities." The net income of \$680,816 is included in the governmental statement of activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. 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 City followed the required timetable noted below in preparing, approving, and enacting its budget for 2023.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

1. For the 2023 budget year, prior to August 25, 2022 (revised November 30), the County Assessor sent to the City an assessed valuation of all taxable property within the City's boundaries.
2. The City Finance Director 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 City's operating requirements.
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 City may make the following changes: a) it may 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 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

During the year the City approved the following budget amendments:

Fund	Original Budget	Final Budget	Amendment
General Fund	\$ 10,629,558	\$ 15,487,498	\$ 4,857,940
Fleet Fund	1,670,105	2,037,605	367,500
Electric Department	8,685,594	9,845,594	1,160,000
Water Department	1,900,971	2,550,971	650,000
Refuse Department	1,228,405	1,234,176	5,771
Recreation Department	3,580,840	4,322,256	741,416

At December 31, 2023, the City's refuse fund exceeded its final budget appropriation by \$333,319. This may be a violation of Colorado State Statutes.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

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. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$509,000, which is the approximate required reserve at December 31, 2023.

The City'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.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The City' deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the City's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the City's demand deposits was at year end. Petty cash totaled \$7,000.

Fair Value of Investments

The City 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.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At December 31, 2023, the City had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$ 3,689,042	-	3,689,042	-
United States Treasuries	3,455,078	-	3,455,078	-
United States Agencies	10,136,076	-	10,136,076	-
<u>Investments Measured at Net Asset Value</u>				
COLOTRUST	3,834,549			
<u>Investments Measured at Amortized Cost</u>				
CSAFE	1,472,253			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries and U.S. Agencies: quoted prices for identical securities in markets that are not active;
- Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices.

The Investment Pool represents investments in COLOTRUST and C-SAFE. The fair value of the pool is determined by the pool's share price. The City has no regulatory oversight for the pool. At December 31, 2023, the City's investments in COLOTRUST and C-SAFE were 17% and 7% of the City's investment portfolio, respectively.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The City coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the City has limited its interest rate risk.

Credit Risk. State law and City policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The City'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.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments (continued)

Concentration of Credit Risk. The City diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, Congressionally authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding City funds must provide the City with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

Restricted Cash. The City had \$2,391,522 of restricted cash in the General Fund for energy performance projects.

At December 31, 2023, unrealized gains were \$342,043 which reflect changes in the fair market value of investments. At year end, the City had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	One to five years
<i>Petty cash:</i>	Not Rated	\$ 7,000	\$ 7,000	\$ -
<i>Demand Deposits:</i>				
Checking, savings & money mkt	Not Rated	7,320,271	7,320,271	-
Certificates of deposit	Not Rated	3,689,042	2,958,221	730,821
<i>Investments:</i>				
United States Agencies	AA+	10,136,076	-	10,136,076
United States Treasuries	AA+	3,455,078	965,000	2,490,078
Pension fund investments	AA+	2,268,132	-	2,268,132
Investment Pools	AAA _m	5,306,802	5,306,802	-
		<u>\$ 32,182,401</u>	<u>\$ 16,557,294</u>	<u>\$ 15,625,107</u>
 <i>Reconciliation to Statements of Net Position:</i>				
		\$ 27,503,307		
		2,391,522		
		<u>2,287,572</u>		
		<u>\$ 32,182,401</u>		

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables (continued)

Receivables as of year-end for the City's governmental funds, including applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				
	General	Street Improvement Fund	Ditch Fund	Recreation Fund	Other Governmental Funds
Receivables:					
Taxes	\$ 489,959	\$ -	\$ -	\$ -	\$ -
Accounts and other receivable	1,620,088	809,775	-	28,502	21,633
Due from other governments	684,330	-	-	-	-
Gross receivables	<u>2,794,377</u>	<u>809,775</u>	<u>-</u>	<u>28,502</u>	<u>21,633</u>
Less: allowance for uncollectible	-	-	-	-	-
Net Receivables	<u>\$ 2,794,377</u>	<u>\$ 809,775</u>	<u>\$ -</u>	<u>\$ 28,502</u>	<u>\$ 21,633</u>

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes property taxes levied in 2023 but not available until 2024.

Receivables as of year-end for the City's enterprise funds, including applicable allowances for uncollectible accounts, are as follows:

	Enterprise Funds				Total
	Electric Department	Water Department	Wastewater Department	Refuse Department	
Receivables:					
Accounts receivable	\$ 2,116,670	\$ 197,504	\$ 309,747	\$ 105,986	\$ 2,729,907
Gross receivables	<u>2,116,670</u>	<u>197,504</u>	<u>309,747</u>	<u>105,986</u>	<u>2,729,907</u>
Less: allowance for uncollectible	-	-	-	-	-
Net Receivables	<u>\$ 2,116,670</u>	<u>\$ 197,504</u>	<u>\$ 309,747</u>	<u>\$ 105,986</u>	<u>\$ 2,729,907</u>

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:	(as restated)			
Capital assets not being depreciated:				
Land	\$ 2,818,836	\$ 110,012	\$ -	\$ 2,928,848
Construction in progress	7,268	2,662,761	(7,268)	2,662,761
Capital assets, being depreciated/amortized:				
Land improvements	16,869,948	-	(203,208)	16,666,740
Buildings and improvements	19,847,031	591,238	-	20,438,269
Machinery and equipment	4,675,543	983,836	(185,550)	5,473,829
Vehicles	3,999,840	49,911	(314,179)	3,735,572
Subscription assets*	83,785	-	-	83,785
Total capital assets being depreciated/amortized	48,302,251	4,397,758	(710,205)	51,989,804
Less accumulated depreciation/amortization for:				
Land improvements	(2,568,168)	(320,140)	-	(2,888,308)
Buildings and improvements	(6,542,892)	(455,082)	-	(6,997,974)
Infrastructure	(5,541,462)	(217,413)	73,441	(5,685,434)
Machinery and equipment	(2,513,456)	(271,323)	175,099	(2,609,680)
Vehicles	(2,831,654)	(188,284)	314,179	(2,705,759)
Subscription assets	-	(29,571)	-	(29,571)
Total accumulated depreciation/amortization	(19,997,632)	(1,481,813)	562,719	(20,916,726)
Governmental Activities Capital Assets, Net	\$ 28,304,619	\$ 2,915,945	\$ (147,486)	\$ 31,073,078
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 726,455	\$ -	\$ -	\$ 726,455
Construction in progress	-	6,496	-	6,496
Total capital assets, not depreciated	726,455	6,496	-	732,951
Capital assets, being depreciated/amortized:				
Building and improvements	23,943,652	2,009,848	(2,034,779)	23,918,721
Machinery and equipment	11,980,304	888,514	(2,873,928)	9,994,890
Subscription assets*	121,038	-	-	121,038
Total capital assets being depreciated/amortized	36,044,994	2,898,362	(4,908,707)	34,034,649
Less accumulated depreciation/amortization for:				
Buildings and improvements	(8,195,131)	(778,513)	2,026,274	(6,947,370)
Machinery and equipment	(7,947,968)	(413,286)	2,817,053	(5,544,201)
Subscription assets	-	(30,260)	-	(30,260)
Total accumulated depreciation/amortization	(16,143,099)	(1,222,059)	4,843,327	(12,521,831)
Business-type activities capital assets, net	\$ 20,628,350	\$ 1,682,799	\$ (65,380)	\$ 22,245,769

*As a result of implementing GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITA), \$204,823 of subscription assets has been added to the beginning balance presented above. As the SBITA assets are offset by an equal amount of SBITA liabilities, the City does not report a restatement of beginning net position.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

The City had the following capital outlay and depreciation/amortization expense for the following functions:

	Depreciation /Amortization Expense	Capital Outlay
<i>Governmental activities:</i>		
General government	\$ 236,813	\$ 1,627,337
Public safety	105,476	-
Public works	490,849	522,270
Parks and recreation	648,675	2,240,883
Total - Governmental Activities	\$ 1,481,813	\$ 4,390,490
<i>Business-type activities:</i>		
Electric Department	\$ 199,060	\$ 1,600,660
Water Department	109,198	536,967
Wastewater Department	851,658	49,932
Refuse Department	62,143	717,299
Total - Business-type Activities	\$ 1,222,059	\$ 2,904,858

D. Transfers

At December 31, 2023, the City had the following transfers:

	In	Out
<i>Governmental Funds:</i>		
General Fund	\$ 1,290,836	\$ (1,200,184)
Street Improvement Fund	454,407	-
Recreation Department	784,200	(1,933,396)
Other Governmental Funds	-	(229,343)
<i>Internal Service Funds:</i>		
Fleet Fund	833,480	-
Total	\$ 3,362,923	\$ (3,362,923)

The above transfers were made to allocate funds to the fund's particular function.

E. Other Liabilities

1. 2019 Financed Purchase

During 2019, the City entered into a financed purchase agreement with Community First National Bank for the amount of \$1,070,403. The funds were used to purchase an aerial fire truck. The interest rate is 3.95% annually and the payments are due February 1 beginning February 1, 2019 and ending on February 1, 2023. The principal outstanding at December 31, 2023 was \$0.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

2. 2019 Sewer Revolving Fund Loan

On May 1, 2019, the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority (the "Authority") for the amount of \$9,541,520. The funds were used for improvements at the existing wastewater treatment facility. The interest rate is 1.69% and the payments are due August 1 and February 1 beginning August 1, 2019 and ending on August 1, 2039. The principal outstanding at December 31, 2023 was \$7,823,994.

3. 2019 Green Reserve Loan

On May 22, 2019, the City entered into a loan agreement with the Authority for the amount of \$3,000,000. The funds will be used for improvements at the existing wastewater treatment facility. The interest rate will be 0.5% annually if the finally constructed project is certified by the Colorado Department of Public Health and the Environment, Water Quality Control Division ("WQCD") as a Green Project or 2.5% if the project is not certified as a Green Project. The payments are due May 1 and November 1 beginning May 1, 2020 and ending on November 1, 2039. At the discretion of the Authority, the loan may be forgiven in an amount up to 100% of the principal amount of the loan. The principal outstanding at December 31, 2023 was \$2,472,974.

4. Sales and Use Tax Revenue Refunding Note, Series 2021

On July 29, 2021, the City issued the \$4,655,000 sales and use tax Revenue note to refund the 2017 Sales and Use Tax Revenue Bonds. The interest rate is 1.582%, payable on June 1 and December 1. The principal is payable on December 1 and matures in various increments through 2031. The principal outstanding at December 31, 2023 was \$3,475,000. The refunding was undertaken to reduce total debt service payments by \$263,525 and resulted in an economic gain of \$243,555.

5. 2023 Refuse Financed Purchase

During 2023, the City entered into a financed purchase agreement with Community First National Bank for the amount of \$361,528. The funds were used to purchase a refuse truck. The interest rate is 5.75% annually and the payments are due August 1 beginning August 1, 2023 and ending on August 1, 2027. The principal outstanding at December 31, 2023 was \$282,756.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

6. 2023 Energy Financed Purchase

During 2023, the City entered into a financed purchase agreement with Capital One Public Funding for the amount of \$2,331,537. The funds were used to fund several energy performance projects. The interest rate is 4.79% annually and the payments are due biannually on January 1 and July 1 beginning January 1, 2024 and ending on July 1, 2043. The principal outstanding at December 31, 2023 was \$2,331,537.

7. Accrued Compensated Absences

Earned but unused compensated absence (e.g. paid time off) benefits amounted to \$507,605 at December 31, 2023. Unused compensated absences are shown as long-term debt on the Government-wide Statement of Net Position. Unused compensated absences of proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees.

8. Debt Schedule

The following debt payments are required:

Year	Governmental Activities Debt		
	Principal	Interest	Total
2024	\$ 414,851	\$ 161,381	\$ 576,232
2025	738,143	159,801	897,944
2026	440,422	137,713	578,135
2027	453,777	130,149	583,926
2028	470,934	122,123	593,057
2029 - 2033	1,641,929	477,776	2,119,705
2034 - 2038	590,358	338,007	928,365
2039 - 2043	1,056,123	149,830	1,205,953
Total	\$ 5,806,537	\$ 1,676,780	\$ 7,483,317

Year	Business-Type Activities Debt		
	Principal	Interest	Total
2024	\$ 645,715	\$ 98,349	\$ 744,064
2025	654,812	85,871	740,683
2026	669,350	73,675	743,025
2027	678,053	61,497	739,550
2028	610,287	49,576	659,863
2029 - 2033	3,158,059	159,552	3,317,611
2034 - 2038	3,436,820	56,816	3,493,636
2039 - 2043	726,628	2,552	729,180
Total	\$ 10,579,724	\$ 587,888	\$ 11,167,612

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

9. Subscription Based Information Technology Arrangements

In October 2022, the City entered into a three year lease agreement as lessee for the acquisition of. An initial lease liability was recorded in the amount of \$83,785 during the current year. As of December 31, 2023, the value of the lease liability was \$54,773. The City is required to make monthly principal and interest payments of \$2,550. The lease has an interest rate of 2.51%. The value of the right-to-use asset as of the end of the current year was \$83,605 and had accumulated amortization of \$29,507.

In January 2022, the City entered into a five year agreement for the subscription of technology services and data acquisition for its water meters. An initial lease liability was recorded in the amount of \$47,260 during the current year. As of December 31, 2023, the value of the lease liability was \$35,870. The City is required to make monthly principal and interest payments of \$1,034. The lease has an interest rate of 2.42%. The value of the right-to-use asset as of the end of the current year was \$47,260 and had accumulated amortization of \$11,815.

In January 2022, the City entered into a five year agreement for the subscription of technology services and data acquisition for its wastewater meters. An initial lease liability was recorded in the amount of \$73,633 during the current year. As of December 31, 2023, the value of the lease liability was \$55,887. The City is required to make monthly principal and interest payments of \$1,611. The lease has an interest rate of 2.42%. The value of the right-to-use asset as of the end of the current year was \$73,633 and had accumulated amortization of \$18,408.

The future subscription payments under SBITAs are as follows:

Year	Governmental Activities		
	Principal	Interest	Total
2024	\$ 29,564	\$ 1,036	\$ 30,600
2025	25,209	291	25,500
Total	\$ 54,773	\$ 1,327	\$ 56,100

Year	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 29,849	\$ 1,891	\$ 31,740
2025	30,580	1,160	31,740
2026	31,328	412	31,740
Total	\$ 91,757	\$ 3,463	\$ 95,220

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

10. Changes in Debt

The City had the following changes in debt for the year ended December 31, 2023:

	<u>1/1/23</u> <u>(as restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/23</u>	<u>Due within one year</u>
Governmental Activities Debt:					
2019 Financed purchase	\$ 223,554	\$ -	\$ 223,554	\$ -	\$ -
2021 SUT Refunding Bonds	3,880,000	-	405,000	3,475,000	410,000
2023 Financed purchase	-	2,331,537	-	2,331,537	4,851
Subscription liability*	83,785	-	28,934	54,851	29,625
Compensated absences	386,784	510,806	412,992	484,598	-
Enterprise Debt:					
Accrued expenses	5,000	-	-	5,000	-
2019 Green Reserve	2,621,073	-	148,099	2,472,974	148,840
2019 Sewer Revolving Loan	7,950,307	-	126,313	7,823,994	432,003
2023 Financed purchase	-	361,528	78,772	282,756	64,872
Subscription liability*	121,038	-	29,197	91,841	29,895
Compensated absences	120,821	362,317	352,085	131,053	-
Total	<u>\$ 15,392,362</u>	<u>\$ 3,566,188</u>	<u>\$ 1,804,946</u>	<u>\$ 17,153,604</u>	<u>\$ 1,120,086</u>

*As a result of implementing GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITA), \$204,823 of subscription liabilities has been added to the beginning balance presented above. As the SBITA assets are offset by an equal amount of SBITA liabilities, the City does not report a restatement of beginning net position.

The compensated absences liability will be paid from the funds which employees' salaries are paid.

11. Debt Disclosure Requirements

The City is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

F. Pollution Remediation Obligation

State and federal laws and regulations require the City to place a final cover on all its land-fill sites when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and post closure care costs will be paid only near, or after, the date the landfill stops accepting waste, the City is required to report a portion of these closure and post closure care costs as an expense in the government-wide financial statements. This expense is based on landfill capacity used at the reporting date. The current year expenditures of the landfills are reported in the Refuse Department of the enterprise fund, business-type activities. The long term liability and expense are reported in the statement of net position and the statement of activities.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

F. Pollution Remediation Obligation (continued)

During 2012, the City determined that the City has fulfilled its remediation of the landfill, with the exception of additional testing that may be required before the remediation is closed out. In 2023, the City maintained the liability of \$5,000. Actual costs may be higher due to inflation, changes in technology or changes in regulations. Closure and care financial requirements are expected to be met by the operations of the enterprise fund.

G. Pension Plans

1. Police Officer's Pension Plan

The City contributes to a defined contribution agent multiple-employer public employee retirement system on behalf of all full-time police officers employed. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City and the employees each contribute 11.2% of the employee's base salary. This contribution rate and other provisions are established and may be amended by City Council. Employees vest in City contributions and interest earnings thereon immediately. During the year ended December 31, 2023, employees and the City made the required contributions to the plan of \$452,497 and \$152,497, respectively.

All of the Police Officer's Pension Plan investments at December 31, 2023 of \$5,118,731 are managed by the Colorado Retirement Association ("CRA"). Separately issued financial statements for the plan may be obtained from CRA at 4949 South Syracuse St., Suite 400, Denver, Colorado 80237.

2. General Employee Pension Plan

The City contributes to a defined contribution agent multiple-employer public employee retirement system on behalf of all full-time general employees with one or more service years. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City and the employees each contribute 5% of the employee's base salary. This contribution rate and other provisions are established and may be amended by City Council. Employees vest in City contributions and interest earnings thereon immediately. During the year ended December 31, 2021, employees and the City made the required contributions to the plan of \$302,648 and \$302,648 respectively.

All of the General Employee Pension Plan investments at December 31, 2023 of \$7,110,649 are managed CRA. Separately issued financial statements for the plan may be obtained from CRA at 4949 South Syracuse St., Suite 400, Denver, Colorado 80237.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Pension Plans (continued)

3. Volunteer Firefighters' Pension Plan

Plan Description. The City has a single employer-defined benefit pension plan for volunteer firefighters as authorized by State of Colorado Statutes. The Volunteer Firefighters' Pension Plan (the "Plan") is administered by the Gunnison Firemen's Pension Fund Board of Trustees ("Board of Trustees"). The Board of Trustees consists of the Fire Chief of the Gunnison Volunteer Fire Department, two members of the Gunnison City Council, two members of the Gunnison Volunteer Fire Department, and two members of the Gunnison County Fire Protection District Board of Directors.

As of December 31, 2023, the Plan had 32 active non-retired members, and 41 retired members, for a total of 73 participants. This plan does not issue separate stand-alone financial statements.

An actuary is used to determine the adequacy of contributions. The study indicates that the current contributions to the Plan are adequate to support, on an actuarially sound basis, the prospective benefits for the present plan.

Benefits provided. Any firefighter who has attained the age of fifty and has also completed twenty years of active service shall be eligible for a monthly pension. A firefighter who is disabled in the line of duty and whose disability is considered permanent shall be compensated in an amount determined by the Pension Board to be reasonable and proper considering the financial condition of the Fund. The Plan also provides for a 50% spousal benefit upon the death of a retired firefighter, or a payment to be determined by the Pension Board if the death occurs prior to retirement. The Plan Board of Trustees has the authority to establish or amend benefit terms.

Contributions. The Plan receives contributions from the City (in an amount not to exceed one-half mill of property tax revenue) and from the State of Colorado. The contributions are not actuarially determined. In 2023, the City contributed \$40,510 to the Plan, the Fire Protection District contributed \$40,510, and the State contributed \$54,662. None of the City's payroll is covered by the pension plan because the firefighters are volunteers.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

G. Pension Plans (continued)

3. Volunteer Firefighters' Pension Plan (continued)

Investment policy. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees by a majority vote of its members. It is the policy of the Board of Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Emphasis is on balance between current income and longer-term capital appreciation. Assets are primarily invested in equity and fixed-income securities with a moderate to strong emphasis on capital appreciation and current income. The account's investment objective includes an average risk tolerance and intermediate to longer term time horizon. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2013:

	Maximum %	Minimum %	Strategic Target
Equity	60%	40%	50%
Fixed-income	57%	37%	47%
Cash (or equivalents)	5%	0%	3%

Concentrations. As of December 31, 2023, the pension fund held no concentrations of investments with individual organizations equaling or exceeding 5 percent of the pension plan's fiduciary net position.

Money-weighted rate of return. This rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability. The components of the net pension liability of the Plan at December 31, 2023 are as follows:

Total pension liability	\$ 3,151,937
Fiduciary net position	2,322,794
Net pension liability	\$ 829,143

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

G. Pension Plans (continued)

3. Volunteer Firefighters' Pension Plan (continued)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions applied to all periods included in the measurement.

Actuarial cost method	Entry-age
Asset valuation method	Market value
Real rate of investment return	3.25% per annum compounded annually
Inflation rate	2.75% per annum compounded annually
Actuarial funding discount rate	6.00% per annum compounded annually
Expense loading	Actuarial funding discount rate is net of expenses
Valuation census	Closed group of lives as of the valuation date
Mortality rates	1994 GAM rates - modified
Turnover rates	Graduated rates by attained age
Disability rates	None used
Retirement age	Age 50, after 20 years of service
Age difference	Males assumed to be 3 years older than females
Marital status	80% of all members are married

An actuarial experience study was not performed as the census data is too small to yield credible results. Demographic assumptions were selected using standard mortality and turnover tables that produce reasonable results for this group of lives. Mortality rates and disability rates for ages before 65 are assumed to be zero to recognize that mortality or disability for this group is virtually non-existent before that particular age.

Discount rate. Actuarial funding discount rates are set by consensus between the Board of Trustees, the actuary and the investment advisor. The discount rate used to measure the total pension liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all 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.

Sensitivity of the net pension liability to changes in actuarial discount rate. The following presents the net pension liability calculated using the discount rate of 6.0 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.0 percent) or 1-percentage point higher (7.0 percent) than the current rate:

	<u>1.00%</u> <u>Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1.00%</u> <u>Increase</u>
Net pension liability	\$ 1,167,197	\$ 829,143	\$ 546,271

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

H. Deferred Compensation Plan – Section 457

The City offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, 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 plan participants and their beneficiaries.

Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. The City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City is neither the trustee nor the administrator for the plans.

The general employee plan is administered by Mission Square Retirement ("Mission Square") and the police employee plan is administered by CRA. The City's contributions to the plans for the year ended December 31, 2023 were \$9,465 to the Mission Square plan and \$54,870 to the CRA plan.

I. Restricted Fund Balance

The City had the following restrictions on fund balances at December 31, 2023:

	<u>1/1/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/23</u>
<i>General Fund:</i>				
Emergency reserves	\$ 384,000	\$ -	\$ 86,000	298,000
<i>Street Improvement Fund:</i>				
Road and bridge	3,224,133	1,183,082	-	4,407,215
<i>Conservation Trust:</i>				
Recreation	78,648	22,113	-	100,761
<i>Marijuana Mitigation:</i>				
Other	300,479	-	88,253	212,226
	<u>\$ 3,987,260</u>	<u>\$ 1,205,195</u>	<u>\$ 174,253</u>	<u>5,018,202</u>

J. Committed Fund Balance

The City had the following committed fund balances at December 31, 2023:

	<u>1/1/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/23</u>
<i>Ditch Fund:</i>				
Ditch maintenance	\$ 551,428	\$ 31,319	\$ 348,380	\$ 234,367
	<u>\$ 551,428</u>	<u>31,319</u>	<u>348,380</u>	<u>234,367</u>

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

IV. Detailed Notes on All Funds (continued)

K. Assigned Fund Balance

The City had the following assigned fund balances at December 31, 2023:

	1/1/23	Additions	Deletions	12/31/23
<i>Special Revenue Funds:</i>				
Recreation fund	\$ 4,651,276	\$ -	\$ (53,352)	4,597,924
Risk management fund	154,548	95,511	-	250,059
	\$ 4,805,824	\$ 95,511	\$ (53,352)	\$ 4,847,983

V. Other Information

A. Joint Venture

At December 31, 2023, Gunnison/Hinsdale Authority had assets of \$2,060,976, liabilities of \$720,432 and \$1,340,544 in net position. Total revenues for 2023 were \$1,948,176 and total expenses were \$1,458,583 resulting in a net change in fund balance of \$489,593. The amount of the City's share of these amounts is based upon the percentage of the county wide telephone accesses to be served.

B. Risk Management

The City is exposed to various risks of loss related to workers' compensation and general liability. The City has acquired commercial coverage for these risks and any settled claims are not expected to exceed the commercial insurance coverage. The City 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 City 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 City may be liable for any losses in excess of this coverage, the City 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 City's share of CIRSA's fund equity as of December 31, 2023, is:

Fund:	Property and Casualty Pool Equity Ratio	Worker's Compensation Pool Equity Ratio
Loss Fund	0.511%	2.054%
Operating Fund	0.527%	0.854%
Excess Fund	0.560%	4.902%
Reserve Fund	0.400%	0.319%

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

V. Other Information (continued)

B. Risk Management (continued)

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

Assets:	
Cash and investments	\$ 89,418,033
Other assets	5,430,422
Total Assets	<u>\$ 94,848,455</u>
Total liabilities	<u>\$ 60,691,640</u>
Net position	<u>\$ 34,156,815</u>
Total Revenues	\$ 44,242,681
Total Expenses	(54,284,668)
Change in Net Position	<u>\$ (10,041,987)</u>

C. Grants

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 government expects such amounts, if any, to be immaterial.

D. Standard Implementation

As of January 1, 2023, the City implemented GASB Statement No. 96 (GASB 96), Subscription-Based Information Technology Arrangements (SBITA). This standard requires the recognition of right-to-use subscription asset - an intangible asset - and a corresponding subscription liability. Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the SBITA term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

E. Subsequent Event

On March 11, 2024, the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority (the "Authority") for the amount of \$2,550,000. The funds will be used to fund the design, engineering and pre-construction costs for the new centralized water treatment plant project. The interest rate is 2% and the payments are due May 1 and November 1 beginning May 1, 2024 and ending on November 1, 2043.

City of Gunnison
Notes to the Financial Statements
December 31, 2023
(continued)

V. Other Information (continued)

F. Restatement of Net Position and Fund Balances

As of January 1, 2023, the City reclassified the Recreation Fund from a proprietary fund to a governmental fund due to funding sources being mostly governmental. This resulted in a restatement of government-wide net position as well as governmental fund balances as stated below:

	12/31/2022 As Previously Reported	Restatement: Increase / (Decrease)	12/31/2022 As Restated
Government-Wide:			
Governmental activities	28,660,649	11,476,736	40,137,385
Business-type activities	30,615,541	(11,476,736)	19,138,805
Total Primary Government	<u>59,276,190</u>	<u>-</u>	<u>59,276,190</u>
Governmental Funds:			
Major funds:			
Recreation Fund	-	4,651,277	4,651,277
Total Governmental Funds	<u>-</u>	<u>4,651,277</u>	<u>4,651,277</u>
Proprietary Funds:			
Enterprise Fund	30,615,541	(11,476,736)	19,138,805
Total Proprietary Funds	<u>30,615,541</u>	<u>(11,476,736)</u>	<u>19,138,805</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Gunnison
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 the Year Ended 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
General property taxes	422,088	422,088	426,555	4,467	424,504
Sales & use tax	6,437,564	6,437,564	6,771,892	334,328	6,663,248
Franchise tax	828,102	828,102	1,004,810	176,708	833,793
Other taxes	76,793	76,793	1,092,504	1,015,711	446,435
Total Taxes	<u>7,764,547</u>	<u>7,764,547</u>	<u>9,295,761</u>	<u>1,531,214</u>	<u>8,367,980</u>
Licenses and Permits:					
Other licenses and permits	60,780	60,780	200,980	140,200	129,781
Intergovernmental Revenue:					
Grant revenue	63,786	954,292	454,226	(500,066)	571,473
Other intergovernmental revenue	79,941	79,941	119,215	39,274	184,764
Total Intergovernmental Revenue	<u>143,727</u>	<u>1,034,233</u>	<u>573,441</u>	<u>(460,792)</u>	<u>756,237</u>
Charges for Services:					
Real estate transfer fee	-	-	302,071	302,071	-
Recreation revenue	274,572	274,572	266,964	(7,608)	341,042
Other charges for services	135,168	135,168	127,927	(7,241)	114,776
Rents	40,900	40,900	34,123	(6,777)	56,799
Total Charges for Services	<u>450,640</u>	<u>450,640</u>	<u>731,085</u>	<u>280,445</u>	<u>512,617</u>
Fines and Forfeitures:					
Traffic fines	3,520	3,520	15,872	12,352	4,405
Miscellaneous Revenue:					
Investment income	10,000	10,000	215,374	205,374	74,263
Unrealized gains (losses)	6,000	-	162,241	162,241	(271,550)
Donations and contributions	62,165	62,165	115,857	53,692	73,372
Other income	80,532	80,532	92,726	12,194	40,278
Total Miscellaneous Revenue	<u>158,697</u>	<u>152,697</u>	<u>586,198</u>	<u>433,501</u>	<u>(83,637)</u>
Total Revenues	<u>8,581,911</u>	<u>9,466,417</u>	<u>11,403,337</u>	<u>1,936,920</u>	<u>9,687,383</u>
Expenditures:					
General Government:					
City council	10,849	10,849	7,415	3,434	41,917
Municipal court	108,397	108,397	70,066	38,331	90,772
City attorney	30,921	103,921	98,602	5,319	44,819
City manager	233,038	160,038	111,003	49,035	193,301
City clerk	122,520	122,520	131,375	(8,855)	103,045
Finance	453,522	453,522	398,018	55,504	312,520
General services	284,367	284,367	251,663	32,704	251,775
Community development	522,098	773,567	600,176	173,391	454,546
Community outreach	86,131	86,131	92,009	(5,878)	76,311
Employee housing	24,000	24,000	15,133	8,867	16,710
Total General Government	<u>1,875,843</u>	<u>2,127,312</u>	<u>1,775,460</u>	<u>351,852</u>	<u>1,585,716</u>

(continued on E2)

City of Gunnison
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 the Year Ended 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual		Actual
Expenditures: (continued)					
Public Safety:					
Police	3,261,784	3,270,284	3,028,243	242,041	2,892,462
Building inspection	175,464	175,464	174,149	1,315	162,129
Fire department	320,515	320,515	310,725	9,790	287,969
LE Victim Advocate Program	85,964	85,964	59,953	26,011	41,380
Victims of Crime Act Grant	-	-	1,286	(1,286)	25,477
Victims of Crime Act Grant Match	-	-	-	-	7,126
Total Public Safety	<u>3,843,727</u>	<u>3,852,227</u>	<u>3,574,356</u>	<u>277,871</u>	<u>3,416,543</u>
Public Works:					
Facilities maintenance	66,105	66,105	42,843	23,262	39,640
Janitorial services	6,894	6,894	11,326	(4,432)	(5,425)
City hall	78,111	78,111	105,063	(26,952)	82,340
Public Works Administration	148,244	148,244	30,780	117,464	5,760
City shop	(55,386)	(55,386)	(53,325)	(2,061)	15,554
Total Public Works	<u>243,968</u>	<u>243,968</u>	<u>136,687</u>	<u>107,281</u>	<u>137,869</u>
Culture and Recreation:					
Cranor Hill	53,085	53,085	35,549	17,536	12,587
Senior meals	118,364	118,364	126,080	(7,716)	102,810
Senior programming	79,946	100,242	96,949	3,293	74,501
Recreation administration	481,977	481,977	471,224	10,753	420,883
Recreation programs	276,243	276,243	251,349	24,894	262,602
Parks	892,534	892,534	867,948	24,586	720,220
Van Tuyl Ranch	31,848	31,848	1,842	30,006	8,925
Lazy K	-	-	-	-	2,589
Lazy K Infrastructure Grant	93,750	93,750	101,676	(7,926)	227,845
Lazy K Infrastructure Non-Grant	-	-	692	(692)	856,706
Next50 senior grant	2,425	3,053	-	3,053	3,429
Total Culture and Recreation	<u>2,030,172</u>	<u>2,051,096</u>	<u>1,953,309</u>	<u>97,787</u>	<u>2,693,097</u>
Economic Development:					
Public service grants	55,500	60,000	59,900	100	50,700
Economic development grants	363,031	517,093	502,848	14,245	146,638
Strategic partnerships	18,613	18,613	19,410	(797)	203,744
Events	-	-	-	-	158,395
Total Economic Development	<u>437,144</u>	<u>595,706</u>	<u>582,158</u>	<u>13,548</u>	<u>559,477</u>
Capital Outlay:					
Capital outlay and repairs	1,241,000	5,421,485	2,554,957	2,866,528	252,462
Debt Service:					
Interest	-	-	52,032	(52,032)	-
Principal	-	-	28,832	(28,832)	-
Total Debt Service	<u>-</u>	<u>-</u>	<u>80,864</u>	<u>(80,864)</u>	<u>-</u>
Total Expenditures	<u>9,671,854</u>	<u>14,291,794</u>	<u>10,657,791</u>	<u>3,634,003</u>	<u>8,645,164</u>
Excess (Deficiency) of Revenues over Expenditures	(1,089,943)	(4,825,377)	745,546	5,570,923	1,042,219
Other Financing Sources (Uses):					
Transfer in	1,211,448	1,553,680	1,290,836	(262,844)	710,805
Transfer (out)	(962,184)	(1,200,184)	(1,200,184)	-	(883,267)
Financed purchase proceeds	-	2,331,537	2,331,537	-	-
Sale of assets	-	46,102	10,100	(36,002)	-
Total Other Financing Sources (Uses)	<u>249,264</u>	<u>2,731,135</u>	<u>2,432,289</u>	<u>(298,846)</u>	<u>(172,462)</u>
Net Change in Fund Balance	<u>(840,679)</u>	<u>(2,094,242)</u>	<u>3,177,835</u>	<u>5,272,077</u>	<u>869,757</u>
Fund Balance - Beginning			6,814,215		5,944,458
Fund Balance - Ending			<u>9,992,050</u>		<u>6,814,215</u>

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

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Street Improvement Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts For the Year Ended 2022)

	<u>2023</u>			<u>Final Budget</u>	<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:					
Taxes:					
Specific ownership tax	37,000	37,000	45,830	8,830	50,741
Sales & use tax	2,217,063	2,217,063	2,383,093	166,030	2,311,142
Miscellaneous revenue	-	-	28,500	28,500	35,000
Total Taxes	<u>2,254,063</u>	<u>2,254,063</u>	<u>2,457,423</u>	<u>203,360</u>	<u>2,396,883</u>
Intergovernmental revenue:					
State grants	2,114,794	2,114,794	1,009,685	(1,105,109)	360,149
Charges for Services:					
Permits	4,100	4,100	36,917	32,817	4,722
Fines and Forfeitures:					
Traffic fines	20,000	20,000	32,615	12,615	11,590
Investment income	1,750	1,750	51,481	49,731	28,229
Unrealized gains (losses)	500	500	54,648	54,148	(134,902)
Donations and contributions	-	-	-	-	55,320
Total Revenues	<u>4,395,207</u>	<u>4,395,207</u>	<u>3,642,769</u>	<u>(752,438)</u>	<u>2,721,991</u>
Expenditures:					
Public works	1,939,160	2,003,120	1,602,243	400,877	982,121
Capital outlay	2,896,000	3,354,000	1,298,022	2,055,978	3,017,143
Debt service	4,564	4,564	11,504	(6,940)	-
Total Expenditures	<u>4,839,724</u>	<u>5,361,684</u>	<u>2,911,769</u>	<u>2,449,915</u>	<u>3,999,264</u>
Excess (Deficiency) of Revenues over Expenditures	(444,517)	(966,477)	731,000	(3,202,353)	(1,277,273)
Other Financing Sources (Uses):					
Transfer in	216,407	454,407	454,407	-	450,941
Total Other Financing Sources (Uses)	<u>216,407</u>	<u>454,407</u>	<u>454,407</u>	<u>-</u>	<u>450,941</u>
Net Change in Fund Balance	<u>(228,110)</u>	<u>(512,070)</u>	1,185,407	<u>(3,202,353)</u>	(826,332)
Fund Balance - Beginning			<u>3,224,133</u>		<u>4,050,465</u>
Fund Balance - Ending			<u>4,409,540</u>		<u>3,224,133</u>

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

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Ditch Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts For the Year Ended 2022)

	2023			Final Budget Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Intergovernmental revenue:					
Mineral leasing	24,000	24,000	54,862	30,862	64,665
Investment income	200	200	4,662	4,462	2,441
Unrealized gains (losses)	350	350	4,753	4,403	(12,782)
Total Revenues	24,550	24,550	64,277	39,727	54,324
Expenditures:					
Public works	166,406	166,406	32,958	133,448	175,152
Total Expenditures	166,406	166,406	32,958	133,448	175,152
Net Change in Fund Balance	(141,856)	(141,856)	31,319	173,175	(120,828)
Fund Balance - Beginning			203,048		323,876
Fund Balance - Ending			234,367		203,048

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

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Recreation Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts For the Year Ended 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes	2,463,403	2,463,403	2,647,881	184,478	2,567,935
Grants and contributions	1,000	1,000	3,405	2,405	351,641
Charges for services	573,224	573,224	676,294	103,070	682,125
Interest revenue	17,050	17,050	86,659	69,609	43,744
Unrealized gains (losses)	2,800	2,800	78,023	75,223	(170,755)
Other revenue	5,100	5,100	8,890	3,790	5,761
Total Revenues	<u>3,062,577</u>	<u>3,062,577</u>	<u>3,501,152</u>	<u>438,575</u>	<u>3,480,451</u>
Expenditures:					
Salaries and employee benefits	975,093	975,093	953,322	21,771	763,785
Purchased services	511,039	581,039	571,704	9,335	521,800
Operations and maintenance	34,533	34,533	22,006	12,527	217,289
Supplies	207,360	207,360	207,093	267	91,206
Capital outlay	106,887	271,479	257,163	14,316	623,116
Debt service - principal	405,001	405,001	405,000	1	400,000
Debt service - interest	61,981	61,981	30,138	31,843	68,667
Expenditures	<u>2,301,894</u>	<u>2,536,486</u>	<u>2,446,426</u>	<u>90,060</u>	<u>2,685,863</u>
Excess (Deficiency) of Revenues over Expenditures	760,683	526,091	1,054,726	528,635	794,588
Other Financing Sources (Uses):					
Sale of capital assets	-	-	42,000	42,000	148
Transfers in	677,234	841,826	784,200	(57,626)	702,638
Transfers (out)	(1,745,928)	(2,252,752)	(1,933,396)	319,356	(903,792)
Total Other Financing Sources (Uses)	<u>(1,068,694)</u>	<u>(1,410,926)</u>	<u>(1,107,196)</u>	<u>303,730</u>	<u>(201,006)</u>
Net Change in Fund Balance	<u>(308,011)</u>	<u>(884,835)</u>	<u>(52,470)</u>	<u>832,365</u>	<u>593,582</u>
Fund Balance - Beginning (as restated)			4,651,277		4,057,695
Fund Balance - Ending			<u>4,598,807</u>		<u>4,651,277</u>

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

City of Gunnison, Colorado
Schedule of Changes in Net Pension Liability and Related Ratios
Volunteer Firefighters' Pension Fund (Unaudited)
December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability									
Service cost	34,607	42,346	29,432	34,413	34,522	25,739	20,432	19,739	28,211
Interest cost	185,064	185,373	184,175	194,001	197,908	169,664	151,455	134,458	141,346
Changes in plan benefits	-	-	-	-	332,243	-	323,200	323,808	-
Actuarial variations	10,351	32,262	46,822	(139,841)	(53,186)	147,019	9,540	(11,699)	(118,110)
Changes in assumptions	-	-	-	-	-	14,848	-	-	-
Benefits paid	(255,750)	(259,050)	(247,700)	(247,000)	(241,500)	(213,625)	(199,300)	(168,128)	(147,425)
Net Change in Pension Liability	(25,728)	931	12,729	(158,427)	269,987	143,645	305,327	298,178	(95,978)
Total Pension Liability - Beginning	<u>3,177,665</u>	<u>3,176,734</u>	<u>3,164,005</u>	<u>3,322,432</u>	<u>3,052,445</u>	<u>2,908,800</u>	<u>2,603,473</u>	<u>2,305,295</u>	<u>2,401,273</u>
Total Pension Liability - Ending	<u>3,151,937</u>	<u>3,177,665</u>	<u>3,176,734</u>	<u>3,164,005</u>	<u>3,322,432</u>	<u>3,052,445</u>	<u>2,908,800</u>	<u>2,603,473</u>	<u>2,305,295</u>
Plan Fiduciary Net Position									
City contribution	40,510	40,510	40,510	40,510	40,510	40,510	35,022	32,700	32,700
District contribution	40,510	40,510	40,510	40,510	40,510	40,510	35,022	32,700	32,700
Pension plan net investment income	276,466	(368,215)	220,900	320,458	370,581	(89,479)	267,561	145,397	(4,268)
Benefit payments	(255,750)	(259,050)	(247,700)	(247,000)	(241,500)	(213,625)	(199,300)	(164,128)	(147,425)
Pension plan administrative expenses	(16,913)	(16,190)	(17,208)	(17,000)	(17,000)	(17,000)	(17,000)	(16,961)	(16,420)
State of Colorado supplemental discretionary payment	54,662	54,662	54,662	54,662	54,662	50,960	53,238	58,860	58,860
Net Change in Plan Fiduciary Net Position	139,485	(507,773)	91,674	192,140	247,763	(188,124)	174,543	88,568	(43,853)
Plan Fiduciary Net Position - Beginning	<u>2,183,309</u>	<u>2,691,082</u>	<u>2,599,408</u>	<u>2,407,268</u>	<u>2,159,505</u>	<u>2,347,629</u>	<u>2,173,086</u>	<u>2,084,518</u>	<u>2,128,371</u>
Plan Fiduciary Net Position - Ending	<u>2,322,794</u>	<u>2,183,309</u>	<u>2,691,082</u>	<u>2,599,408</u>	<u>2,407,268</u>	<u>2,159,505</u>	<u>2,347,629</u>	<u>2,173,086</u>	<u>2,084,518</u>
Net Pension Liability - Ending	829,143	994,356	485,652	564,597	915,164	892,940	561,171	430,387	220,777
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	73.7%	68.7%	84.7%	82.2%	72.5%	70.7%	80.7%	83.5%	90.4%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

City of Gunnison
Schedule of Contributions
Volunteer Firefighters' Pension Fund (Unaudited)
December 31, 2023

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2012	17,861	130,830	(112,969)	N/A	N/A
2013	47,616	101,400	(53,784)	N/A	N/A
2014	34,892	159,603	(124,711)	N/A	N/A
2015	46,915	124,260	(77,345)	N/A	N/A
2016	34,870	124,260	(89,390)	N/A	N/A
2017	49,929	123,282	(73,353)	N/A	N/A
2018	64,200	131,980	(67,780)	N/A	N/A
2019	95,721	135,682	(39,961)	N/A	N/A
2020	97,135	135,682	(38,547)	N/A	N/A
2021	68,128	135,682	(67,554)	N/A	N/A
2022	75,631	135,682	(60,051)	N/A	N/A
2023	102,757	135,682	(32,925)	N/A	N/A

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

City of Gunnison
Schedule of Investment Returns
Volunteer Firefighters' Pension Fund (Unaudited)
December 31, 2023

FY Ending December 31,	Net Money- Weighted Rate of Return
2012	12.88%
2013	13.58%
2014	5.19%
2015	-1.00%
2016	6.38%
2017	12.02%
2018	-4.73%
2019	17.25%
2020	13.22%
2021	8.19%
2022	-14.94%
2023	12.56%

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

SUPPLEMENTARY INFORMATION

City of Gunnison, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	<u>Special Revenue</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Conservation Trust</u>	<u>Marijuana Mitigation Fund</u>	<u>Risk Management Fund</u>	
Assets:				
Cash and investments - Unrestricted	102,759	190,727	257,850	551,336
Receivables, net of allowance for uncollectibles	62	21,499	72	21,633
Total Assets	<u>102,821</u>	<u>212,226</u>	<u>257,922</u>	<u>572,969</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts payable	2,060	-	7,863	9,923
Total Liabilities	<u>2,060</u>	<u>-</u>	<u>7,863</u>	<u>9,923</u>
Fund Balances:				
Spendable:				
Restricted for recreation	100,761	-	-	100,761
Restricted - other	-	212,226	-	212,226
Assigned	-	-	250,059	250,059
Total Fund Balances	<u>100,761</u>	<u>212,226</u>	<u>250,059</u>	<u>563,046</u>
Total Liabilities and Fund Balances	<u>102,821</u>	<u>212,226</u>	<u>257,922</u>	<u>572,969</u>

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

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

	Conservation Trust	Special Revenue Risk Management Fund	Marijuana Mitigation Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	-	-	256,671	256,671
Intergovernmental revenue	71,461	6,698	-	78,159
Charges for services	-	305,856	-	305,856
Investment income	1,910	12,437	2,661	17,008
Unrealized gains (losses)	2,231	11,657	2,872	16,760
Miscellaneous	66	-	-	66
Total Revenues	<u>75,668</u>	<u>336,648</u>	<u>262,204</u>	<u>674,520</u>
Expenditures:				
General government	-	318,227	-	318,227
Public safety	-	-	145,000	145,000
Capital outlay and repairs	29,669	-	-	29,669
Total Expenditures	<u>29,669</u>	<u>318,227</u>	<u>145,000</u>	<u>492,896</u>
Excess (Deficiency) of Revenues Over Expenditures	45,999	18,421	117,204	181,624
Other Financing Sources (Uses):				
Transfers (out)	(23,886)	-	(205,457)	(229,343)
Total Other Financing Sources (Uses)	<u>(23,886)</u>	<u>-</u>	<u>(205,457)</u>	<u>(229,343)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	22,113	18,421	(88,253)	(47,719)
Fund Balances - Beginning	78,648	231,638	300,479	610,765
Fund Balances - Ending	<u>100,761</u>	<u>250,059</u>	<u>212,226</u>	<u>563,046</u>

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

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Conservation Trust Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts For the Year Ended 2022)

	<u>2023</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2022</u>
	<u>Original Budget</u>	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Intergovernmental revenue:					
State lottery funds	57,000	57,000	71,461	14,461	62,917
Other income	25	25	66	41	-
Investment income	150	150	1,910	1,760	612
Unrealized gains (losses)	100	100	2,231	2,131	(3,417)
Total Revenues	<u>57,275</u>	<u>57,275</u>	<u>75,668</u>	<u>18,393</u>	<u>60,112</u>
Expenditures:					
Capital outlay and repairs	38,500	38,500	29,669	8,831	35,901
Total Expenditures	<u>38,500</u>	<u>38,500</u>	<u>29,669</u>	<u>8,831</u>	<u>35,901</u>
Excess (Deficiency) of Revenues Over Expenditures	18,775	18,775	45,999	27,224	24,211
Other Financing Sources (Uses):					
Transfers (out)	(25,000)	(25,000)	(23,886)	1,114	(21,031)
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(23,886)</u>	<u>1,114</u>	<u>(21,031)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)			22,113		3,180
Fund Balance - Beginning			<u>78,648</u>		<u>75,468</u>
Fund Balance - Ending			<u>100,761</u>		<u>78,648</u>

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

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Risk Management Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts For the Year Ended 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:					
Charges for services	305,022	305,022	305,856	834	313,417
Intergovernmental revenue	1,500	1,500	6,698	5,198	-
Investment income	500	500	12,437	11,937	6,530
Unrealized gains (losses)	250	250	11,657	11,407	(20,793)
Total Revenues	<u>307,272</u>	<u>307,272</u>	<u>336,648</u>	<u>29,376</u>	<u>299,154</u>
Expenditures:					
Insurance premiums	238,076	238,076	239,144	(1,068)	218,535
Insurance claims	50,000	109,494	74,124	35,370	42,357
Professional services	5,000	5,000	4,959	41	4,499
Total Expenditures	<u>293,076</u>	<u>352,570</u>	<u>318,227</u>	<u>34,343</u>	<u>265,391</u>
Excess (Deficiency) of Revenues Over Expenditures	14,196	(45,298)	18,421	63,719	33,763
Fund Balance - Beginning			<u>231,638</u>		<u>197,875</u>
Fund Balance - Ending			<u><u>250,059</u></u>		<u><u>231,638</u></u>

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

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Marijuana Mitigation Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts For the Year Ended 2022)

	2023			Final Budget Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual		Actual
Revenues:					
Taxes:					
Sales and use	289,750	289,750	256,671	(33,079)	280,292
Investment income	1,750	1,750	5,533	3,783	(9,249)
Total Revenues	<u>291,500</u>	<u>291,500</u>	<u>262,204</u>	<u>(29,296)</u>	<u>271,043</u>
Expenditures:					
Public safety	145,000	145,000	145,000	-	207,500
Total Expenditures	<u>145,000</u>	<u>145,000</u>	<u>145,000</u>	<u>-</u>	<u>207,500</u>
Excess (Deficiency) of Revenues over Expenditures	146,500	146,500	117,204	(29,296)	63,543
Other Financing Sources (Uses):					
Transfer (out)	(205,457)	(205,457)	(205,457)	-	(152,910)
Total Other Financing Sources (Uses)	<u>(205,457)</u>	<u>(205,457)</u>	<u>(205,457)</u>	<u>-</u>	<u>(152,910)</u>
Net Change in Fund Balance			(88,253)		(89,367)
Fund Balance - Beginning			<u>300,479</u>		<u>389,846</u>
Fund Balance - Ending			<u><u>212,226</u></u>		<u><u>300,479</u></u>

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

City of Gunnison, Colorado
Combining Statement of Net Position
Departments of the Enterprise Fund
For the Year Ended December 31, 2023

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Refuse Department</u>	<u>Total</u>
Assets:					
Current assets:					
Cash and cash equivalents	6,291,138	906,972	1,961,021	220,914	9,380,045
Accounts receivables, net of allowance for uncollectibles	2,123,027	197,504	309,747	105,986	2,736,264
Inventories	1,901,872	172,879	46,554	18,389	2,139,694
Prepaid expenses	-	1,596	6,960	-	8,556
Total current assets	<u>10,316,037</u>	<u>1,278,951</u>	<u>2,324,282</u>	<u>345,289</u>	<u>14,264,559</u>
Non-current assets:					
Land	175,045	50,000	501,410	-	726,455
Construction in progress	6,496	-	-	-	6,496
Building and improvements	3,666,223	1,513,199	18,428,103	311,196	23,918,721
Machinery and equipment	2,954,269	1,425,498	4,220,924	1,394,199	9,994,890
Subscription assets	-	47,260	73,633	-	120,893
Less: Accumulated depreciation/amortization	<u>(2,218,629)</u>	<u>(1,338,289)</u>	<u>(8,374,856)</u>	<u>(590,021)</u>	<u>(12,521,795)</u>
Total non-current assets:	<u>4,583,404</u>	<u>1,697,668</u>	<u>14,849,214</u>	<u>1,115,374</u>	<u>22,245,660</u>
Total Assets	<u>14,899,441</u>	<u>2,976,619</u>	<u>17,173,496</u>	<u>1,460,663</u>	<u>36,510,219</u>
Liabilities:					
Current liabilities:					
Accounts payable	1,754,265	84,692	44,713	13,716	1,897,386
Accrued payroll	15,770	7,330	15,154	6,607	44,861
Long term debt interest payable	-	-	30,910	6,757	37,667
Deposits held	34,600	-	-	-	34,600
Non-current liabilities due within one year:					
Financed purchases	-	-	-	64,872	64,872
Subscription liabilities	-	11,669	18,180	-	29,849
Loans	-	-	580,843	-	580,843
Total current liabilities:	<u>1,804,635</u>	<u>103,691</u>	<u>689,800</u>	<u>91,952</u>	<u>2,690,078</u>
Non-current liabilities:					
Accrued compensated absences	57,985	27,148	32,048	13,871	131,052
Accrued expenses	-	-	-	5,000	5,000
Non-Current Liabilities - due longer than one year:					
Financed purchases	-	-	-	217,884	217,884
Subscription liabilities	-	24,201	37,706	-	61,907
Loans	-	-	9,716,125	-	9,716,125
Total non-current liabilities	<u>57,985</u>	<u>51,349</u>	<u>9,785,879</u>	<u>236,755</u>	<u>10,131,968</u>
Total Liabilities	<u>1,862,620</u>	<u>155,040</u>	<u>10,475,679</u>	<u>328,707</u>	<u>12,822,046</u>
Net Position:					
Net investment in capital assets	4,583,404	1,661,798	4,496,360	832,618	11,574,180
Unrestricted	8,453,417	1,159,781	2,201,457	299,338	12,113,993
Total Net Position	<u>13,036,821</u>	<u>2,821,579</u>	<u>6,697,817</u>	<u>1,131,956</u>	<u>23,688,173</u>

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

City of Gunnison, Colorado
Combining Statement of Revenues, Expenses and Changes in Net Position
Departments of the Enterprise Fund
For the Year Ended December 31, 2023

	Electric Department	Water Department	Sewer Department	Refuse Department	Total
Operating Revenue:					
Sales	8,874,715	1,739,700	3,210,994	977,918	14,803,327
Other revenue	43,534	8,936	4,614	1,411	58,495
Operating Revenue	<u>8,918,249</u>	<u>1,748,636</u>	<u>3,215,608</u>	<u>979,329</u>	<u>14,861,822</u>
Operating Expenses:					
Salaries and employee benefits	4,963,673	404,875	808,939	315,517	6,493,004
Purchased power	1,090	-	-	-	1,090
Purchased services	435,223	565,250	806,749	231,574	2,038,796
Operations and maintenance	987,975	260,370	502,979	231,493	1,982,817
Supplies	-	82,963	102,895	62,486	248,344
Depreciation and amortization	199,060	109,184	851,636	62,143	1,222,023
Operating Expenses	<u>6,587,021</u>	<u>1,422,642</u>	<u>3,073,198</u>	<u>903,213</u>	<u>11,986,074</u>
Operating income (loss)	2,331,228	325,994	142,410	76,116	2,875,748
Non-Operating Revenues (Expenses):					
Interest revenue	111,453	12,004	28,645	6,079	158,181
Interest expense	-	(1,018)	(167,889)	(9,126)	(178,033)
Unrealized gains (losses)	101,705	12,067	31,652	3,509	148,933
Grants and contributions	810,000	280,070	412,340	4,634	1,507,044
Sale of fixed assets	(2,835)	3,833	(29,893)	66,390	37,495
Total Non-Operating Revenues (Expenses)	<u>1,020,323</u>	<u>306,956</u>	<u>274,855</u>	<u>71,486</u>	<u>1,673,620</u>
Change in Net Position	<u>3,351,551</u>	<u>632,950</u>	<u>417,265</u>	<u>147,602</u>	<u>4,549,368</u>
Total Net Position - Beginning (as restated)	<u>9,685,270</u>	<u>2,188,629</u>	<u>6,280,552</u>	<u>984,354</u>	<u>19,138,805</u>
Total Net Position - Ending	<u><u>13,036,821</u></u>	<u><u>2,821,579</u></u>	<u><u>6,697,817</u></u>	<u><u>1,131,956</u></u>	<u><u>23,688,173</u></u>

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

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Electric Department
For the Year Ended December 31, 2023
(With Comparative Actual Amounts For the Year Ended 2022)

	<u>2023</u>			<u>Final Budget Variance Positive (Negative)</u>	<u>2022</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenue:					
Sales	8,360,844	8,360,844	8,874,715	513,871	7,492,086
Other revenue	8,150	8,150	43,534	35,384	49,013
Operating Revenue	<u>8,368,994</u>	<u>8,368,994</u>	<u>8,918,249</u>	<u>549,255</u>	<u>7,541,099</u>
Operating Expenses:					
Salaries and employee benefits	5,403,470	5,403,470	4,963,673	439,797	778,272
Purchased power	-	-	1,090	(1,090)	4,106,031
Purchased services	541,413	541,413	435,223	106,190	331,562
Operations and maintenance	1,956,461	3,116,461	987,975	2,128,486	1,218,450
Supplies	784,250	784,250	-	784,250	(178,964)
Capital outlay	-	-	1,600,660	(1,600,660)	829,034
Operating Expenses	<u>8,685,594</u>	<u>9,845,594</u>	<u>7,988,621</u>	<u>1,856,973</u>	<u>7,084,385</u>
Operating income (loss)	(316,600)	(1,476,600)	929,628	2,406,228	456,714
Non-Operating Revenues (Expenses):					
Interest revenue	10,000	10,000	111,453	101,453	75,632
Unrealized gains (losses)	2,500	2,500	101,705	99,205	(289,377)
Grants and contributions	-	810,000	810,000	-	-
Sale of fixed assets	-	-	(2,835)	(2,835)	4,102
Total Non-Operating Revenues (Expenses)	<u>12,500</u>	<u>822,500</u>	<u>1,020,323</u>	<u>197,823</u>	<u>(209,643)</u>
Change in Net Position - Budgetary Basis	<u>(304,100)</u>	<u>(654,100)</u>	<u>1,949,951</u>	<u>2,604,051</u>	<u>111,766</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Depreciation			(199,060)		(145,589)
Capital outlay			1,600,660		829,034
Total Adjustments			<u>1,401,600</u>		<u>683,445</u>
Total Net Position - Beginning			<u>9,685,270</u>		<u>8,890,059</u>
Total Net Position - Ending			<u>13,036,821</u>		<u>9,685,270</u>

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

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Water Department
For the Year Ended December 31, 2023
(With Comparative Actual Amounts For the Year Ended 2022)

	2023			Final Budget Variance Positive (Negative)	2022
	Original Budget	Final Budget	Actual		Actual
Operating Revenue:					
Sales	1,624,244	1,677,244	1,739,700	62,456	1,312,523
Other revenue	4,200	4,200	8,936	4,736	14,608
Operating Revenue	1,628,444	1,681,444	1,748,636	67,192	1,327,131
Operating Expenses:					
Salaries and employee benefits	439,389	439,389	404,875	34,514	394,490
Purchased services	896,129	546,129	565,250	(19,121)	399,582
Operations and maintenance	267,502	267,502	260,370	7,132	376,868
Supplies	297,951	1,297,951	82,963	1,214,988	105,115
Capital outlay	-	-	536,967	(536,967)	372,320
Operating Expenses	1,900,971	2,550,971	1,850,425	700,546	1,648,375
Operating income (loss)	(272,527)	(869,527)	(101,789)	767,738	(321,244)
Non-Operating Revenues (Expenses):					
Interest revenue	250	250	12,004	11,754	8,534
Debt service - principal	-	-	(11,390)	(11,390)	-
Interest expense	-	-	(1,018)	(1,018)	-
Unrealized gains (losses)	500	500	12,067	11,567	(36,366)
Grants and contributions	375,000	488,000	280,070	(207,930)	206,300
Sale of fixed assets	-	-	3,833	3,833	7,350
Total Non-Operating Revenues (Expenses)	375,750	488,750	295,566	(193,184)	185,818
Income (Loss) Before Contributions and Transfers	103,223	(380,777)	193,777	574,554	(135,426)
Transfers (out)	-	-	-	-	(160,412)
Change in Net Position - Budgetary Basis	103,223	(380,777)	193,777	574,554	(295,838)
Reconciliation to GAAP Basis:					
Adjustments:					
Depreciation			(109,184)		(81,111)
Capital outlay			536,967		372,320
Debt service - Principal			11,390		-
Total Adjustments			439,173		291,209
Total Net Position - Beginning			2,188,629		2,193,258
Total Net Position - Ending			2,821,579		2,188,629

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

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Sewer Department
For the Year Ended December 31, 2023
(With Comparative Actual Amounts For the Year Ended 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenue:					
Sales	2,803,860	2,803,860	3,210,994	407,134	2,941,014
Other revenue	200	200	4,614	4,414	61,331
Operating Revenue	<u>2,804,060</u>	<u>2,804,060</u>	<u>3,215,608</u>	<u>411,548</u>	<u>3,002,345</u>
Operating Expenses:					
Salaries and employee benefits	774,520	774,520	808,939	(34,419)	693,855
Purchased services	2,051,147	2,051,147	806,749	1,244,398	877,437
Operations and maintenance	426,402	426,402	502,979	(76,577)	481,906
Supplies	122,125	122,125	102,895	19,230	113,032
Capital outlay	-	-	49,932	(49,932)	726,199
Operating Expenses	<u>3,374,194</u>	<u>3,374,194</u>	<u>2,271,494</u>	<u>1,102,700</u>	<u>2,892,429</u>
Operating income (loss)	(570,134)	(570,134)	944,114	1,514,248	109,916
Non-Operating Revenues (Expenses):					
Interest revenue	500	500	28,645	28,145	12,156
Debt service - principal	(568,400)	(568,400)	(586,146)	(17,746)	(559,074)
Interest expense	(90,820)	(90,820)	(167,889)	(77,069)	(172,611)
Unrealized gains (losses)	250	250	31,652	31,402	(49,623)
Grants and contributions	1,374,652	1,374,652	412,340	(962,312)	543,679
Sale of capital assets	-	-	28,401	28,401	81,666
Total Non-Operating Revenues (Expenses)	<u>716,182</u>	<u>716,182</u>	<u>(252,997)</u>	<u>(969,179)</u>	<u>(143,807)</u>
Income (Loss) Before Contributions and Transfers	146,048	146,048	691,117	545,069	(33,891)
Transfers (out)	-	-	-	-	(270,412)
Change in Net Position - Budgetary Basis	<u>146,048</u>	<u>146,048</u>	<u>691,117</u>	<u>545,069</u>	<u>(304,303)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Capital outlay			49,932		726,199
Gain (loss) on disposal of assets			(58,294)		(74,316)
Debt service - Principal			586,146		559,074
Depreciation			(851,636)		(789,093)
Total Adjustments			<u>(273,852)</u>		<u>421,864</u>
Total Net Position - Beginning			<u>6,280,552</u>		<u>6,162,991</u>
Total Net Position - Ending			<u>6,697,817</u>		<u>6,280,552</u>

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

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Refuse Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts For the Year Ended 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenue:					
Sales	1,018,203	1,018,203	977,918	(40,285)	881,090
Other revenue	-	-	1,411	1,411	242
Operating Revenue	<u>1,018,203</u>	<u>1,018,203</u>	<u>979,329</u>	<u>(38,874)</u>	<u>881,332</u>
Operating Expenses:					
Salaries and employee benefits	293,581	293,581	315,517	(21,936)	262,761
Purchased services	253,549	253,549	231,574	21,975	239,682
Operations and maintenance	619,975	625,746	231,493	394,253	246,068
Supplies	61,300	61,300	62,486	(1,186)	19,856
Capital outlay	-	-	717,299	(717,299)	-
Operating Expenses	<u>1,228,405</u>	<u>1,234,176</u>	<u>1,558,369</u>	<u>(324,193)</u>	<u>768,367</u>
Operating income (loss)	(210,202)	(215,973)	(579,040)	(363,067)	112,965
Non-Operating Revenues (Expenses):					
Interest revenue	1,000	1,000	6,079	5,079	4,826
Interest expense	-	-	(9,126)	(9,126)	-
Unrealized gains (losses)	200	200	3,509	3,309	(19,033)
Grants and contributions	25,000	25,000	4,634	(20,366)	-
Sale of capital assets	-	-	66,390	66,390	-
Total Non-Operating Revenues (Expenses)	<u>26,200</u>	<u>26,200</u>	<u>71,486</u>	<u>45,286</u>	<u>(14,207)</u>
Income (Loss) Before Contributions and Transfers	(184,002)	(189,773)	(507,554)	(317,781)	98,758
Transfers (out)	-	-	-	-	(44,293)
Change in Net Position - Budgetary Basis	<u>(184,002)</u>	<u>(189,773)</u>	<u>(507,554)</u>	<u>(317,781)</u>	<u>54,465</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Capital outlay			717,299		-
Depreciation			(62,143)		(44,063)
Total Adjustments			<u>655,156</u>		<u>(44,063)</u>
Total Net Position - Beginning			<u>984,354</u>		<u>973,952</u>
Total Net Position - Ending			<u>1,131,956</u>		<u>984,354</u>

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

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Internal Service
Fleet Management Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts For the Year Ended 2022)

	<u>2023</u>			Final Budget Variance Positive (Negative)	<u>2022</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenue:					
Charges for services	779,508	779,508	779,508	-	724,562
Other revenue	-	-	2,568	2,568	3,566
Operating Revenue	<u>779,508</u>	<u>779,508</u>	<u>782,076</u>	<u>2,568</u>	<u>728,128</u>
Operating Expenses:					
Fleet expenses	1,670,105	2,037,605	772,603	1,265,002	745,767
Capital outlay	-	-	522,270	(522,270)	342,691
Operating Expenses	<u>1,670,105</u>	<u>2,037,605</u>	<u>1,294,873</u>	<u>742,732</u>	<u>1,088,458</u>
Operating income (loss)	(890,597)	(1,258,097)	(512,797)	745,300	(360,330)
Non-Operating Revenues (Expenses):					
Interest revenue	-	-	16,019	16,019	5,663
Unrealized gains (losses)	-	-	14,109	14,109	(15,958)
Sale of capital assets	-	36,000	97,428	61,428	20,100
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>36,000</u>	<u>127,556</u>	<u>91,556</u>	<u>9,805</u>
Income (Loss) Before Contributions and Transfers	(890,597)	(1,222,097)	(385,241)	836,856	(350,525)
Transfers in	833,480	833,480	833,480	-	742,031
Transfers (out)	-	-	-	-	(34,993)
Change in Net Position - Budgetary Basis	<u>(57,117)</u>	<u>(388,617)</u>	<u>448,239</u>	<u>836,856</u>	<u>356,513</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Depreciation			(289,693)		(258,420)
Capital outlay			522,270		342,691
Total Adjustments			<u>232,577</u>		<u>84,271</u>
Total Net Position - Beginning			<u>3,194,584</u>		<u>2,753,800</u>
Total Net Position - Ending			<u>3,875,400</u>		<u>3,194,584</u>

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

City of Gunnison
Statement of Changes in Fiduciary Net Position
Budget and Actual
Volunteer Firefighters' Pension Fund
For the Year Ended December 31, 2023
(With Comparative Actual Amounts For the Year Ended 2022)

	<u>2023</u>		<u>Final Budget</u>	<u>2022</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Additions				
Contributions	131,020	135,682	4,662	135,682
Earnings on investments	206,000	276,466	70,466	(368,215)
Total Additions	<u>337,020</u>	<u>412,148</u>	<u>75,128</u>	<u>(232,533)</u>
Deductions				
Benefits	289,350	255,750	33,600	259,050
Expenses	18,500	16,913	1,587	16,190
Total Deductions	<u>307,850</u>	<u>272,663</u>	<u>35,187</u>	<u>275,240</u>
Change in Net Position - Budgetary Basis	<u>29,170</u>	139,485	<u>39,941</u>	(507,773)
Total Net Position - Beginning		<u>2,091,635</u>		<u>2,599,408</u>
Total Net Position - Ending		<u>2,231,120</u>		<u>2,091,635</u>

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

LOCAL HIGHWAY FINANCE REPORT

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Gunnison
	YEAR ENDING : December 2023

This Information From The Records Of City of Gunnison	Prepared By: Phone:	Ben Cowan 970-641-8162
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	1,954,226.12
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	669,078.84
		S&A Mtnc (30-30-330)	957,543.23
		Less Cost Allocation	251,421.00
		Less OT (4020)	16,447.37
		Less Cont Svc-Snow (30-30-3301-7050)	20,596.02
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0.00
2. General fund appropriations	454,407.00	b. Snow and ice removal	37,043.39
(calculate so that cell E67 = 0)		OT (4020)	16,447.37
		Cont Svc.-Snow (7050)	20,596.02
3. Other local imposts (from page 2)	2,439,901.80	c. Other	0.00
4. Miscellaneous local receipts (from page 2)	171,983.48	d. Total (a. through c.)	37,043.39
5. Transfers from toll facilities	0.00	4. General administration & miscellaneous	251,421.00
		PW Admin (10-30-3100)	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	599,943.61
a. Bonds - Original Issues	0.00	Police (10 20 2000) * 20% Per Chief	
b. Bonds - Refunding Issues	0.00	6. Total (1 through 5)	3,511,712.96
c. Notes	0.00	B. Debt service on local obligations:	
d. Total (a. + b. + c.)	0.00	1. Bonds:	
7. Total (1 through 6)	3,066,292.28	a. Interest	0.00
B. Private Contributions	0.00	b. Redemption	0.00
C. Receipts from State government		c. Total (a. + b.)	0.00
(from page 2)	746,402.71	2. Notes:	
D. Receipts from Federal Government		a. Interest	0.00
(from page 2)	284,480.40	b. Redemption	0.00
E. Total receipts (A.7 + B + C + D)	4,097,175.39	c. Total (a. + b.)	0.00
		3. Total (1.c + 2.c)	0.00
		C. Payments to State for highways	0.00
		D. Payments to toll facilities	0.00
		E. Total disbursements (A.6 + B.3 + C + D)	3,511,712.96

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursement	D. Ending Balance	E. Reconciliation
	0.00	4,097,175.39	3,511,712.96	585,462.43	0.00

Notes and Comments:

FORM FHWA-536 (Rev.1-05)

PREVIOUS EDITIONS OBSOLETE

(Next Page)

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2023

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments	0.00	a. Interest on investments	106,128.81
b. Other local imposts:		b. Traffic Fines (30-30-0000-3	32,615.00
1. Sales Taxes (30%)	2,383,092.60	c. Parking Garage Fees	0.00
City Sales Tax (30-30-0000 #####			
Use Tax (30-30-0000-3001)	162,457.93		
2. Infrastructure & Impact Fees (ROW 30-30-	32,177.50	d. Parking Meter Fees	0.00
3. Liens	0.00	e. Sale of Surplus Property (30-	28,500.00
4. Licenses	0.00	f. Charges for Services	0.00
5. Specific Ownership &/or Other (30-30-0000	24,631.70	g. Other Misc. Receipts	0.00
6. Total (1. through 5.)	2,439,901.80	h. Other (30 3899, 3870)	4,739.67
c. Total (a. + b.)	2,439,901.80	i. Total (a. through h.)	171,983.48
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Governm	
1. Highway-user taxes (30-30-0000-3206)	196,033.18	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0.00
a. State bond proceeds		b. FEMA	0.00
b. Project Match		c. HUD	0.00
c. Motor Vehicle Registration (30-30-0000-3	21,198.31	d. Federal Transit Admin	284,480.40
d. Other (Specify)	504,767.10	e. U.S. Corps of Engineers	0.00
e. Other (Highway Maint Agr 30-30-0000-32	24,404.12	f. Other Federal	0.00
f. Total (a. through e.)	550,369.53	g. Total (a. through f.)	284,480.40
4. Total (1. + 2. + 3.f)	746,402.71	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0.00		0.00
b. Engineering Costs	0.00	0.00	0.00
c. Construction:			
(1). New Facilities			
(2). Capacity Improvements	0.00	1,002,208.59	1,002,208.59
(3). System Preservation	0.00	829,495.18	829,495.18
Material Crushing 30-30-3302-7951	17,600.00	0.00	
Gravel/Asphalt/Patching 30-30-3302	9,194.48	0.00	
Concrete 30-30-3302-8401/8402	2,059.28	0.00	
Slurry Seal 30-30-3302-7952	390,345.64	0.00	
Crack Seal 30-30-3302-7953	49,000.00	0.00	
IMS 30-30-3302-7090	67,541.59	0.00	
Equipment 30-30-3302-8310	292,680.00	0.00	
Other Improvements 30-30-3302-82(1,074.19	0.00	
Street Impvmt/Overlay 30-30-3302-	0.00	0.00	
(4). System Enhancement & Operation	0.00	122,522.35	122,522.35
Tree Program 30-30-3302-7954	6,000.00	0.00	
Tree Chipping 30-30-3302-7950	0.00	0.00	
Signs 30-30-3302-5220	24,088.76	0.00	
Paint Striping 30-30-3302-6440	92,433.59	0.00	
(4). Total Construction (1)+(2)+(3)	0.00	1,954,226.12	1,954,226.12
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	0.00	1,954,226.12	1,954,226.12
			(Carry forward to page 1)

Notes and Comments: