
Town of Collbran
Financial Statements and
Independent Auditor's Report
as of
December 31, 2024

Town of Collbran

Table of Contents

	<u>Page</u>
Independent Auditor’s Report.....	A-1
Management’s Discussion and Analysis.....	B-1
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	C-1
Statement of Activities.....	C-2
Fund Financial Statements:	
Governmental Funds Balance Sheet.....	C-3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	C-4
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.....	C-5
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	C-6
Statement of Net Position-Enterprise Funds.....	C-7
Statement of Revenues, Expenses and Changes in Net Position-Enterprise Funds.....	C-8
Statement of Cash Flows-Enterprise Funds.....	C-9
Notes to Basic Financial Statements.....	D-1
Required Supplementary Information	
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual:	
General Fund.....	E-1
Conservation Trust Fund.....	E-3
Schedule of Town’s Proportionate Share of Net Pension Asset.....	E-4
Schedule of Town’s Contributions to Pension Plan.....	E-5
Other Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Available Resources- Budget and Actual-Enterprise Funds:	
Water Fund.....	F-1
Sewer Fund.....	F-2
Local Highway Finance Report.....	G-1



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Town of Collbran, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Collbran, Colorado, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Collbran, Colorado's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Collbran, Colorado, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Collbran, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Collbran, Colorado's internal control. Accordingly, no such opinion is expressed.

Certified Public Accountants

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Collbran, Colorado's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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. Management has omitted the management, discussion, and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

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

Blair and Associates, P.C.

Cedaredge, Colorado
September 3, 2025

Town of Collbran
Statement of Net Position
December 31, 2024

	Governmental Activities	Business -Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,278,095	\$ 1,006,845	\$ 4,284,940
Receivables, net			
Property taxes receivable	21,569	-	21,569
User fee receivable	-	21,637	21,637
Other receivable	7,744	-	7,744
Due from other governments	853,673	-	853,673
Lease receivable	94,893	-	94,893
Capital assets, net	3,109,583	1,015,145	4,124,728
Total assets	7,365,557	2,043,627	9,409,184
DEFERRED OUTFLOWS			
Deferred outflow of resources related to pension	10,353	-	10,353
Total deferred outflows	10,353	-	10,353
LIABILITIES			
Accounts payable	115,569	4,389	119,958
Accrued expenses and deposits	37,440	5,260	42,700
Compensated absences	23,001	-	23,001
Total liabilities	176,010	9,649	185,659
Deferred Inflows of Resources			
Deferred grant revenue	2,319	-	2,319
Property tax revenues	21,569	-	21,569
Other deferred revenues	97,000	-	97,000
Deferred inflows of resources related to lease	89,318	-	89,318
Deferred inflows of resources related to pension	216	-	216
Total Deferred Inflows of Resources	210,422	-	210,422
NET POSITION			
Invested in capital assets, net of related debt	3,109,583	1,015,145	4,124,728
Restricted for:			
Recreation and culture	208,677	-	208,677
Town hall upgrades	24,000	-	24,000
Emergencies	178,754	-	178,754
Unrestricted	3,468,464	1,018,833	4,487,297
Total net position	\$ 6,989,478	\$ 2,033,978	\$ 9,023,456

The accompanying notes are an integral part of this statement.

**Town of Collbran
Governmental Funds
Balance Sheet
December 31, 2024**

	General Fund	Conservation Trust Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 3,215,418	\$ 62,677	\$ 3,278,095
Due from other governments	853,673	-	853,673
Other Receivables	7,744	-	7,744
Taxes receivable	21,569	-	21,569
Total assets	\$ 4,098,404	\$ 62,677	\$ 4,161,081
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$ 115,569	\$ -	\$ 115,569
Other current liabilities	37,440	-	37,440
Total liabilities	153,009	-	153,009
Deferred Inflows of Resources			
Deferred grant revenue	2,319	-	2,319
Property tax revenues	21,569	-	21,569
Other deferred revenues	97,000	-	97,000
Total deferred inflow of resources	120,888	-	120,888
Fund balances:			
Restricted			
Restricted for recreation and culture	73,000	62,677	135,677
Restricted for town hall upgrades	24,000	-	24,000
Restricted for emergencies	178,754	-	178,754
Unassigned	3,548,753	-	3,548,753
Total fund balance	3,824,507	62,677	3,887,184
Total liabilities and fund balance	\$ 4,098,404	\$ 62,677	\$ 4,161,081

The accompanying notes are an integral part of this statement.

Town of Collbran
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2024

Total fund balance, governmental funds \$ 3,887,184

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

Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Cost of capital assets	\$ 4,814,161	
Less accumulated depreciation	(1,704,578)	
Book value of capital asses		3,109,583

Some loans receivable related to the leasing of land are recorded as receivable and unavailable revenue in the Town's Governmental Fund financial statements, but are recognized as revenue in the governmental-wide financial statements. 94,893

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Compensated absences	(23,001)
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Deferred inflows of resources related to lease receivable are not recorded in the funds.	(89,318)
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Net pension liability and related deferred inflows and outflows of resources are not recorded in the funds.	10,137
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Net Position of Governmental Activities in the Statement of Net Position	\$ 6,989,478
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The accompanying notes are an integral part of this statement.

Town of Collbran
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2024

	General Fund	Conservation Trust	Total Governmental Funds
Revenues			
Taxes	\$ 1,246,186	\$ -	\$ 1,246,186
Other Revenues	1,172,587	4,521	1,177,108
Earning on Investment	159,123	3,065	162,188
Total revenues	<u>2,577,896</u>	<u>7,586</u>	<u>2,585,482</u>
Expenditures			
Current:			
General government	430,870	-	430,870
Public safety	168,948	-	168,948
Public works	234,838	-	234,838
Municipal Court	2,313	-	2,313
Culture and recreation	752,671	-	752,671
Capital outlay	676,380	-	676,380
Total expenditures	<u>2,266,020</u>	<u>-</u>	<u>2,266,020</u>
Excess (deficiency) of revenues over expenditures	311,876	7,586	319,462
Fund balance, January 1	<u>3,512,631</u>	<u>55,091</u>	<u>3,567,722</u>
Fund balance, December 31	<u><u>\$ 3,824,507</u></u>	<u><u>\$ 62,677</u></u>	<u><u>\$ 3,887,184</u></u>

The accompanying notes are an integral part of this statement.

Town of Collbran
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2024

Net change in fund balances - total governmental funds \$ 319,462

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Fixed assets current additions	\$ 1,284,621	
Depreciation expense	<u>(78,147)</u>	
Excess of capital outlay over depreciation		1,206,474

Collection of revenues related to lease receivable is reported as revenue in the governmental funds but reduces the lease receivable in the statement of net position. 3,543

Repayment of long-term debt principal is reported as an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position.

Disposal of capital assets (52,804)

Pension expenses not in current year (13,661)

Compensated absences (505)

Change in net position of governmental funds \$ 1,462,509

The accompanying notes are an integral part of this statement.

Town of Collbran
Statement of Net Position
Enterprise Funds
December 31, 2024

	Enterprise Funds		Total Enterprise Funds
	Water Fund	Sewer Fund	
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 746,954	\$ 259,891	\$ 1,006,845
User Fees Receivable	9,661	11,976	21,637
Total Current Assets	<u>756,615</u>	<u>271,867</u>	<u>1,028,482</u>
Noncurrent Assets			
Capital Assets	2,350,547	1,730,558	4,081,105
Less accumulated depreciation	(1,483,747)	(1,582,213)	(3,065,960)
Total Noncurrent Assets	<u>866,800</u>	<u>148,345</u>	<u>1,015,145</u>
Total Assets	<u>\$ 1,623,415</u>	<u>\$ 420,212</u>	<u>\$ 2,043,627</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 2,225	\$ 2,164	\$ 4,389
Deposits	2,440	2,820	5,260
Total Current Liabilities	<u>4,665</u>	<u>4,984</u>	<u>9,649</u>
NET POSITION			
Invested in capital assets	866,800	148,345	1,015,145
Unrestricted	751,950	266,883	1,018,833
Total Net Position	<u>1,618,750</u>	<u>415,228</u>	<u>2,033,978</u>
Total Liabilities and Net Position	<u>1,623,415</u>	<u>420,212</u>	<u>2,043,627</u>

The accompanying notes are an integral part of this statement.

Town of Collbran
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended December 31, 2024

	Enterprise Funds		Total Enterprise Funds
	Water Fund	Sewer Fund	
Operating revenues:			
User charges	\$ 247,498	\$ 147,466	\$ 394,964
Other operating revenue	545	296	841
Total operating revenues	<u>248,043</u>	<u>147,762</u>	<u>395,805</u>
Operating expenses:			
Salaries and benefits	46,203	46,206	92,409
Professional services	44,452	18,373	62,825
Supplies and chemicals	4,836	6,894	11,730
Utilities	11,684	26,882	38,566
Repairs and maintenance	19,463	42,727	62,190
Depreciation	59,936	6,928	66,864
Other	10,608	4,421	15,029
Total operating expenses	<u>197,182</u>	<u>152,431</u>	<u>349,613</u>
Income (loss) before transfers and Capital contributions	50,861	(4,669)	46,192
Contributions and transfers			
Tap fees	4,500	4,500	9,000
Total contributions and transfers	<u>4,500</u>	<u>4,500</u>	<u>9,000</u>
Change in net position	55,361	(169)	55,192
Total net position, January 1	<u>1,563,390</u>	<u>415,396</u>	<u>1,978,786</u>
Total net position, December 31	<u>\$ 1,618,751</u>	<u>\$ 415,227</u>	<u>\$ 2,033,978</u>

The accompanying notes are an integral part of this statement.

Town of Collbran
Statement of Cash Flows
Enterprise Funds
Year Ended December 31, 2024

	Enterprise Funds		Total Enterprise Funds
	Water Fund	Sewer Fund	
Cash Flows From Operating Activities			
Cash received from charges for services	\$ 269,002	\$ 146,033	\$ 415,035
Cash payments for personnel	(46,203)	(46,206)	(92,409)
Cash payments for goods and services	(94,238)	(99,148)	(193,386)
Net cash provided (used) by operating activities	<u>128,561</u>	<u>679</u>	<u>129,240</u>
Cash Flows from Capital and Related Financing Activities			
Tap fees	4,500	4,500	9,000
Acquisition of capital assets	(25,046)	-	(25,046)
Net cash provided (used) by capital and related financing activities	<u>(20,546)</u>	<u>4,500</u>	<u>(16,046)</u>
Net increase (decrease) in cash and equivalents	108,015	5,179	113,194
Cash balances, January 1	<u>638,939</u>	<u>254,712</u>	<u>893,651</u>
Cash balances, December 31	<u><u>\$ 746,954</u></u>	<u><u>\$ 259,891</u></u>	<u><u>\$ 1,006,845</u></u>
Reconciling of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$ 50,861</u>	<u>\$ (4,669)</u>	<u>\$ 46,192</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	59,936	6,928	66,864
Assets (increase) decrease:			
Accounts receivable	2,518	(930)	1,588
Due from other governments	19,141	-	19,141
Liabilities increase (decrease):			
Accounts payable	(3,195)	149	(3,046)
Customer deposits	(700)	(800)	(1,500)
Total adjustments	<u>77,700</u>	<u>5,347</u>	<u>83,047</u>
Net cash provided (used) by operating activities	<u><u>\$ 128,561</u></u>	<u><u>\$ 678</u></u>	<u><u>\$ 129,239</u></u>

The accompanying notes are an integral part of this statement.

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 1 - Summary of Significant Accounting Policies

The Town of Collbran, Colorado, (the “Town”) was incorporated under Colorado statutes in 1908. An elected Mayor and Town Board are responsible for setting policy, appointing administrative personnel, and adopting an annual budget in accordance with state statutes. The Town’s major operations include public safety, public works, and culture and recreation.

The Town’s financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Town’s significant accounting policies are described below:

A. Financial Reporting Entity

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

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

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Town. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Financial Statements

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements (continued)

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- The General Fund is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- The Conservation Trust Fund, which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Town are charges for water and sewer fees. Operating expenses for the enterprise funds include purchased services, utilities, repairs and maintenance, supplies, insurance and depreciation cost. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed.

The Town reports the following major enterprise fund business-type activities:

- Water and Sewer Funds, which account for all operations of the Town's water and sewer services. They are primarily financed by user charges.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting (continued)

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days at the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual, because generally, they are not measurable until received. Grant revenues are recognized as they are earned.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not recognize as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of 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(s) and will not be recognize as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of three months or less.

F. Investments

Investments are state at fair value. Investments in governmental external investment pools are governed by Part 7 of Article 75 of the Colorado Revised Statutes and are exempt from registration with the Securities and Exchange Commission. The pools operate like a mutual fund with each share valued at \$1. The State Securities Commission administers and enforces all State statutes governing the investment pools.

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

G. Use of Estimates

that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Property Taxes

Property taxes for the current year are levied and attached as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as a receivable at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred inflows of resources in the governmental and enterprise funds.

I. Consumable Inventories

On the government-wide financial statements, inventories are presented on an average cost basis and are expenses when used (i.e the consumption method). On the fund financial statements, inventories of governmental funds are state at an average cost basis. The cost of inventory items is recorded as expenditures in the governmental fund types when consumed.

J. Capital Assets

Capital assets, which include land, treatment plants, reservoirs, distribution systems, buildings and improvements, property, equipment and infrastructure assets (only infrastructure acquired after January 1, 2003), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds \$ 750 (\$3,000 for infrastructure).

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Infrastructure assets are being capitalized prospectively beginning in 2003.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Reservoirs and treatment plants	40
Land Improvements	10-20
Distribution Systems	15-40
Building and Other Improvements	30
Equipment and vehicles	3-15
Street improvements	5-12

At the inception of capital leases at the governmental fund reporting level, expenditures and any “other financing source” of an equal amount are reported at the net present value of the future minimum lease payments.

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

Because the historical cost of these assets is generally minimal, these assets would not materially change the amount of capital assets currently reported.

K. Long-Term Liabilities

In the government-wide financial statements, and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type statement of net position. The long-term compensated absences are serviced from revenues of the General Fund from future appropriations.

L. Compensated Absences

Vacation time and sick leave accumulates at the rate of one day per month for a total of twelve days per year. Part-time employees shall accrue vacation time at a pro-rata rate commensurate with their share hours worked compared to a 40-hour work week. Employee may not accrue more than twenty-one workdays of vacation per year and will not accrue in excess of 90 days of sick leave. Sick leave will be paid out at the rate of one day (8 hours) for every seven days of accrued and unused Sick leave if upon termination the employee has worked for the Town for ten consecutive years.

Accrued vacation and sick leave consist of the following at December 31, 2024:

Vacation time	\$ 23,001
---------------	-----------

All compensated absences liabilities include salary-related payments, where applicable. The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only if they have matured.

Proprietary Funds- Accumulated vested sick and vacation pay at December 31, 2024 has not been accrued in the proprietary funds since they would not have a material effect on the financial statements.

M. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. All other net position is reported as unrestricted. The Town applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

N. Encumbrances

The Town does not use an encumbrance system for budgetary control.

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

O. Accounts Receivable

The Town considers accounts receivable for water and sewer to be fully collectible because the Town can place liens on the individual properties; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

P. Comparative Data

Certain comparative data for the prior year have been presented to provide an understanding of the changes in the financial position and operations. This data is not included at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Town's financial statements for the year ended December 31, 2024, from which data was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Q. Fair Value Measurement

The Town adopted GASB Statement No. 72, Fair Value Measurement and Application, which generally requires state and local governments to measure assets and liabilities at fair value. GASB's goal is to enhance comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. This standard expands fair value disclosure to provide comprehensive information for financial statement users about the impact of fair value measurements on a government's financial position. The Town's investments consist of external investment pools and money market accounts.

R. Fund Balance

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable fund balance amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between fund balances total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Note 3 - Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The Town’s voters on November 8, 1994, approved a ballot measure to permit the Town to collect, retain and expend the full proceeds of the Town’s sales tax, use tax, property tax and state grants, and other revenues.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required by the Amendment. The amount restricted at December 31, 2024 was \$178,754.

Note 4 – Budgets

The Town adheres to the following procedures in establishing budgetary data reflected in the financial statements:

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 Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2024.

1. For the 2024 budget year, prior to August 25, 2023, the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries.
2. The Town Administrator, or other qualified person appointed by the Board, submitted to the Board, on or before October 15, 2023, a recommended budget which detailed the necessary property taxes along with other available revenues to meet the Town's operating requirements.
3. Prior to December 15, 2023, 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.

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 4 – Budgets (continued)

4. After adoption of the budget resolution, the Town 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.
5. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.
6. Budget for the Enterprise Funds are adopted on a basis consistent with the Governmental Funds. Following are the adjustments to convert GAAP Basis expenditures to budgetary basis expenditures:

	Water	Sewer
GAAP Basis	\$ 197,182	\$ 152,431
Add (deduct):		
Depreciation	(59,936)	(6,928)
Capital outlay	25,045	-
Budgetary basis	162,291	145,503
Final budget	505,294	201,753
Variance	\$ 343,003	\$ 56,250

Note 5 – Deposits and Investments

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local governments deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40.

At December 31, 2024, the bank balance of the Town's deposits was \$ 2,078,716 of which \$250,000 was covered by federal depository insurance and \$ 1,828,716 was collateralized under PDPA.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts. The Town has no formal investment policy. At December 31, 2024 the Town's investments included funds held in a local government investment pool which was Colotrust Plus+ and Csafe.

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 5 – Deposits and Investments (continued)

Cash Deposits (continued)

Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the trusts. The trusts value their shares based on a stable net value of \$1.00 per share. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the trusts' investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

As of December 31, 2024, the Town held investments in the Colorado Local Government Liquid Asset Trust (Colotrust Plus portfolio) and Csafe. The Plus and Csafe portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities as well as in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. At December 31, 2024, the Town's investments were in Colotrust Plus \$1,381,633 and Csafe of \$941,106.

The composition of all cash and cash investments held by the Town at December 31, 2024 is as follows:

Cash on hand	\$ 300
Cash in bank	1,961,901
Colotrust and Csafe	<u>2,322,739</u>
Total cash and investments	<u>\$ 4,284,940</u>

At December 31, 2024 the Town had the following investments:

	<u>Net Asset Value</u>
ColoTrust Plus +	\$ 1,381,633
	<u>Amortized Costs</u>
Csafe	\$ 941,106

Interest rate risk-The town does not have a formal policy limiting investment maturities, other than that established by the state statute of five years, which would help manage its exposure to fair value losses from increasing interest rates.

Credit risk-Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Town's policy to limit its investments to U.S. Treasury obligations, certain U.S. government agencies securities, commercial paper, local government investment pools, repurchase agreements and money market funds.

Custodial Credit Risk- For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 6 - Contingent liabilities

Risk management

The Town is exposed to various risks of loss related to workers' compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The Town carries commercial coverage for these risks and claims and does not expect claims to exceed their coverage.

CIRSA - The Town is exposed to various risks of loss related to liability, property and casualty losses. To insure against those losses, the Town is a member of CIRSA, a public entity risk pool current operating as a common risk management and insurance program for member municipalities. The Town pays an annual contribution to CIRSA for its liability, property and casualty insurance coverage.

The intergovernmental agreement of formation of CIRSA provides that the pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs. There also exists the potential for return of contributions should the results of pool operations result in surpluses in excess of those required by State law and the bylaws of the pool. Any refunds of excess contributions are used to reduce the current year contribution. As such, the contributions to CIRSA has been reported as expenditures or expenses. Separately issued financial reports for CIRSA is available by contacting them at their Denver office or at www.cirsa.org.

Insurance coverage for worker's compensation is provided through Pinnacol Assurance, a quasi-public authority.

There were no settlements on behalf the Town of Collbran in excess of insurance coverage for the last three fiscal years.

Contingencies - Claim

During the normal course of business, the Town may incur claims and other assertions against it from various agencies and individuals. Management of the Town and their legal representatives feel that these claims or assertions are inconsequential and/or not susceptible to reasonable estimation. Therefore, no liabilities have been recorded for these possible claims or assertions.

Note 7 - Retirement Plans

Defined Contribution Plan

The Town participates in the Colorado Retirement Association Defined Contribution Plan (CRA), a multiple-employer public employee retirement system, which is a qualified plan as defined by Internal Revenue Service Code Section 401 (A) and CRS 24.54. The plan provides retirement benefits through a defined contribution plan to participating Colorado counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Plan provisions and contribution requirements are established and may be amended by CRA and would have to be approved by the Town.

There are no unfunded past service liabilities. All of its full-time employees are eligible to contribute to the plan. Employees are eligible to participate six months from the date of employment. Both the employees and the Town make a basic contribution of 8% of the employee's salary. Employees may also make additional contributions up to a maximum of 10% of compensation.

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 7 - Retirement Plans (continued)

Defined Contribution Plan (continued)

Employees are immediately vested in their participant contributions and become vested in employer contributions to the plan over a five-year period. For the year ended December 31, 2024 the Town's total payroll was \$304,611, the total covered payroll by the retirement plan was \$290,661. During 2024, the Town and employees each made their respectively required contribution of \$23,931, for a total of \$47,862. Complete financial statements for the retirement plans may be obtained from CRA, 4949 S. Syracuse St., Suite 400, Denver, Colorado, 80237.

Defined Benefit Plan- SWDB

The Town's police officers participate in the Statewide Defined Benefit Plan (SWDB), which is a cost-sharing multiple-employer defined benefit pension plan. The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

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

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

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

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

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2022, members of the SWDB plan and their employers are contributing at the rate of 12 percent and 9.5 percent, respectively, of pensionable earnings for a total contribution rate of 21.5 percent.

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 7 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

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

The contribution rate for members and employers of affiliated social security employers is 6.0 percent and 4.5 percent, respectively, of pensionable earnings for a total contribution rate of 10.5 percent in 2021. Per the 2014-member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

Pension Liabilities/ (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the Entity reported a net pension liability of \$ 0. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At December 31, 2023, the Town's proportion was 0.002366%, which was a decrease of 0.002707% from its proportion of 0.005073% measured as of December 31, 2022.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resource. For the year ended December 31, 2024, the Town recognized pension expense of \$13,661 related to the SWDB.

At December 31, 2024, the Entity reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 4,505	\$ 216
Changes in assumptions	2,613	-
Net difference between projected and actual earnings on pension plan investments	3,234	-
Contributions subsequent to the measurement date	-	-
Total	\$ 10,352	\$ 216

The SWDB plan reported \$ 0 as deferred outflows of resources related to pensions resulting from the Town contributions subsequent to the measurement date will be recognized as an increase in net position asset in the year ended December 31, 2023.

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 7 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

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

Year ended December 31:	
2023	\$ 1,749
2024	\$ 2,584
2025	\$ 3,694
2026	\$ 502
2027	\$ 619
Thereafter	\$ 988

The actuarial valuations for the Statewide Retirement Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2023. The valuations used the following actuarial assumption and other inputs:

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of payroll, Open
Amortization Period	30 years
Long-term Investment rate of return*	7.0%
Projected Salary Increases	4.25%-11.25%
Cola adjustment	0.0%
*Includes Inflation At	2.5%

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

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

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

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 7 - Retirement Plans (continued)

Defined Benefit Plan- SWDB (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income- Rates	10%	5.35%
Fixed Income- Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
Total	100.00%	

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.77 percent (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting single discount rate is 7.00 percent.

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

1% Decrease	Single Discount Rate Assumption	1% Increase
6.00%	7.00%	8.00%
\$ 13,266	\$ -	\$ -

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 8 - Capital Assets

Capital Asset activity for the year ended December 31, 2024 was as follows:

	Balance January 1, 2024	Additions	Dispositions	Balance December 31, 2024
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 133,647	\$ -	\$ -	\$ 133,647
Construction in progress	976,199	1,284,621	-	2,260,820
	1,109,846	1,284,621	-	2,394,467
Capital assets being depreciated				
Equipment	645,831	-	(188,003)	457,828
Buildings	594,568	-	-	594,568
Improvements	730,863	-	-	730,863
Infrastructure	636,438	-	-	636,438
	2,607,700	-	(188,003)	2,419,697
Less depreciation	(1,761,633)	(78,147)	135,199	(1,704,581)
	846,067	(78,147)	(52,804)	715,116
Total Capital Assets	\$ 1,955,913	\$ 1,206,474	\$ (52,804)	\$ 3,109,583
Business - Type Activities				
	Balance January 1, 2024	Additions	Dispositions	Balance December 31, 2024
Water Fund				
Capital assets not being depreciated				
Construction in progress	\$ 49,741	\$ 25,045	\$ (74,786)	\$ -
Capital assets being depreciated				
Equipment	240,532	-	-	240,532
Water System	1,098,199	74,786	-	1,172,985
Reservoirs	84,363	-	-	84,363
Water Treatment Plant	852,667	-	-	852,667
Total capital assets being depreciated	2,275,761	74,786	-	2,350,547
Less accumulated depreciation	(1,423,811)	(59,936)	-	(1,483,747)
Net capital assets being depreciated	851,950	14,850	-	866,800
Total Water Fund	\$ 901,691	\$ 39,895	\$ (74,786)	\$ 866,800
Sewer Fund				
Capital Assets not being depreciated				
Land	\$ 43,585	\$ -	\$ -	\$ 43,585
Capital Assets being Depreciated				
Equipment	94,435	-	-	94,435
Sewer System	1,592,539	-	-	1,592,539
Total capital assets being depreciated	1,686,974	-	-	1,686,974
Less accumulated depreciation	(1,575,285)	(6,928)	-	(1,582,213)
Net capital assets being depreciated	111,689	(6,928)	-	104,761
Total Sewer Fund	155,274	(6,928)	-	148,346
Total Business-Type Activities Capital Assets	\$ 1,056,965	\$ 32,967	\$ (74,786)	\$ 1,015,146

Town of Collbran
Notes to the Financial Statements
December 31, 2024

Note 8 - Capital Assets (continued)

Depreciation was charged to governmental activity functions/programs as follows:

General government	\$ 20,877
Public safety	15,119
Public works	29,703
Parks and Recreation	<u>12,448</u>
Total	<u>\$ 78,147</u>

Depreciation charged to the Enterprise Funds are as follows:

Water Fund	\$ 59,836
Sewer Fund	<u>6,928</u>
Total	<u>\$ 66,864</u>

Note 9 - Land Lease

Land Lease and Indemnity Agreement

The Town entered into an agreement with Grand Valley National Bank (the "Bank") on April 23, 2003, whereby the Town has leased certain real property to the Bank, paid for the demolition and removal of a structure on the property, and agreed to indemnify the Bank for any and all future costs associated with any environmental hazards which may exist on or beneath the property. The Bank has agreed to pay the Town \$60,000 for the lease for a term of 60 years, unless terminated sooner by purchase or otherwise. The Bank has paid the Town an additional \$90,000 for the indemnity agreement. The Bank has an option to purchase the property anytime during the term of the lease for an additional \$60,000.

Note 10-Lease Receivable

The Town entered into a five year agreement with Vertical Bridge Development, LLC in July 2023 to lease approximately 1,500 square feet to build and operate a communications facility. The lease is payable on the 5th of each month beginning August 5th, 2023. Rent will increase by 2½% annually on the anniversary of the commencement date. Rent amounts for payments 1 through 12 will be \$2,262.81, payments 13 through 24 will be \$2,319.39, payments 25 through 36 will be \$2,377.37, payments 37 through 48 will be \$2,436.81, and payments 49 through 60 will be \$2,497.73. GASB No. 87 requires a lease receivable to be measured at the present value of future payments expected to be made during the least term. The following chart details the amounts receivable each year during the term of the lease.

Year	Lease Revenue	Lease Interest	Total
2025	23,917	4,206	28,123
2026	25,860	2,966	28,826
2027	27,920	1,626	29,546
2028	17,196	288	17,484
	\$ 94,893	\$ 9,086	\$ 103,979

Note 11-Prior Period Restatement

The net position for the Town's Sewer Fund has been restated as of December 31, 2023. The net position was increased by \$ 27,906 to correct the over-depreciation of assets. The resulting net position for December 31, 2023 is \$ 415,396.

Town of Collbran
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2024

Revenues	Budgeted		Actual	Favorable (Unfavorable)
	Original	Final		
Taxes:				
General property tax	\$ 20,999	\$ 20,999	\$ 26,668	\$ 5,669
Sales tax town	105,000	105,000	116,721	11,721
Sales tax county	950,000	950,000	1,034,178	84,178
Public safety sales - county	14,000	14,000	15,515	1,515
Cigarette	200	200	428	228
Franchise	20,500	20,500	20,903	403
Highway user	13,000	13,000	18,434	5,434
Mineral lease	3,500	3,500	3,661	161
Severance	10,000	10,000	7,248	(2,752)
Specific ownership	2,250	2,250	2,430	180
Total Taxes	1,139,449	1,139,449	1,246,186	106,737
Other revenues:				
Fees	34,350	34,350	31,662	(2,688)
Fines and penalties	2,500	2,500	285	(2,215)
Grants	1,973,334	1,973,334	1,069,241	(904,093)
Miscellaneous	6,000	6,000	70,376	64,376
Motor vehicle registrations	1,000	1,000	1,023	23
Total other revenues	2,017,184	2,017,184	1,172,587	(844,597)
Earnings on Investments	110,000	110,000	159,123	49,123
Total revenues	3,266,633	3,266,633	2,577,896	(688,737)
Expenditures				
General Government				
Personnel services	166,860	166,860	162,628	4,232
General expenditures	666,197	666,197	236,486	429,711
Grant projects	388,000	388,000	26,264	361,736
Capital outlay	818,000	818,000	675,356	142,644
Land use expenditures	11,000	11,000	5,492	5,508
Total General Government	2,050,057	2,050,057	1,106,226	943,831
Public Safety				
Personnel services	136,856	136,856	304	136,552
General expenditures	47,350	193,184	168,644	24,540
Capital outlay	10,000	10,000	-	10,000
Total Public Safety	\$ 194,206	\$ 340,040	\$ 168,948	\$ 171,092

The accompanying notes are an integral part of this statement.

Town of Collbran
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2024

	Budgeted		Actual	Favorable (Unfavorable)
	Original	Final		
Public Works				
Personnel services	\$ 145,948	\$ 145,948	\$ 133,436	\$ 12,512
General expenditures	254,860	254,860	101,402	153,458
General capital	60,000	60,000	-	60,000
Total Public Works	<u>460,808</u>	<u>460,808</u>	<u>234,838</u>	<u>225,970</u>
Municipal Court				
Personnel services	3,096	3,096	-	3,096
General expenditures	5,000	5,000	2,313	2,687
Total Municipal Court	<u>8,096</u>	<u>8,096</u>	<u>2,313</u>	<u>5,783</u>
Culture and Recreation				
Personnel services	56,557	56,557	45,590	10,967
General expenditures	1,456,870	1,456,870	707,081	749,789
Capital outlay	88,500	88,500	1,024	87,476
Total Culture and Recreation	<u>1,601,927</u>	<u>1,601,927</u>	<u>753,695</u>	<u>848,232</u>
Total expenditures	<u>4,315,094</u>	<u>4,460,928</u>	<u>2,266,020</u>	<u>2,194,908</u>
Excess of revenues over (under) expenditures	(1,048,461)	(1,194,295)	311,876	1,506,171
Fund balance, January 1	3,488,582	3,488,582	3,512,631	24,049
Fund balance, December 31	<u>\$ 2,440,121</u>	<u>\$ 2,294,287</u>	<u>\$ 3,824,507</u>	<u>\$ 1,530,220</u>

The accompanying notes are an integral part of this statement.

Town of Collbran
Conservation Trust Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended December 31, 2024

	Budgeted		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues				
Lottery	\$ 5,000	\$ 5,000	\$ 4,521	\$ (479)
Other revenues	500	500	3,065	2,565
Total revenues	<u>5,500</u>	<u>5,500</u>	<u>7,586</u>	<u>2,086</u>
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	5,500	5,500	7,586	2,086
Fund balance, January 1	<u>52,696</u>	<u>52,696</u>	<u>55,091</u>	<u>2,395</u>
Fund balance, December 31	<u><u>\$ 58,196</u></u>	<u><u>\$ 58,196</u></u>	<u><u>\$ 62,677</u></u>	<u><u>\$ 4,481</u></u>

The accompanying notes are an integral part of this statement.

Town of Collbran
Schedule of Town's Proportionate Share of Net Pension Asset/Liability
Fire and Police Association of Colorado
Statewide Defined Benefit Plan
Year Ended December 31, 2023 (Measurement Date)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Town's portion of the net pension assets (liability)	0.002366%	0.005073%	0.005306%	0.005409%	0.005113%
Town's proportionate share of the net pension asset (liability)	\$ -	\$ (4,503)	\$ 28,757	\$ 11,744	\$ 2,892
Town's covered payroll	\$ 23,241	\$ 42,935	\$ 40,344	\$ 43,618	\$ 37,688
Town's proportionate share of the net pension asset (liability) as a percentage of covered payroll	0.00%	-10.49%	71.28%	26.92%	7.67%
Plan fiduciary net position as a percentage of the total pension assets/(liability)	100.00%	97.60%	116.20%	106.70%	101.90%

Note to Schedule

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complied, the Town is presenting information for those years for which information is available.

The accompanying notes are an integral part of this statement.

Town of Collbran
Schedule of Town's Contributions to Pension Plan
Fire and Police Association of Colorado
Statewide Defined Benefit Plan
Year Ended December 31, 2023 (Measurement Date)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 2,208	\$ 3,972	\$ 3,631	\$ 3,476	\$ 3,015
Contributions in relation to the contractually required contribution	<u>\$ 2,208</u>	<u>\$ 3,972</u>	<u>\$ 3,631</u>	<u>\$ 3,476</u>	<u>\$ 3,015</u>
Contribution (excess) deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 23,241	\$ 42,935	\$ 40,344	\$ 43,618	\$ 37,688
Contributions as a percentage of covered payroll	9.50%	9.25%	9.00%	7.97%	8.00%

Note to Schedule

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Town is presenting information for those years for which information is available.

The accompanying notes are an integral part of this statement.

Town of Collbran
Water Fund
Schedule of Revenues, Expenditures and Changes in Available
Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2024

	Budgeted		Actual	Favorable
	Original	Final		(Unfavorable)
Revenues				
User charges	\$ 204,770	\$ 204,770	\$ 247,498	\$ 42,728
Grants	240,000	240,000	-	(240,000)
Tap fees	-	-	4,500	4,500
Other revenues	200	200	545	345
Total revenues	444,970	444,970	252,543	(192,427)
Expenditures				
Salaries and benefits	56,921	56,921	46,203	10,718
Professional services	47,395	47,395	44,452	2,943
Supplies and chemicals	9,000	9,000	4,836	4,164
Utilities	13,125	13,125	11,684	1,441
Repairs and maintenance	19,000	19,000	19,463	(463)
Other	22,853	22,853	10,608	12,245
Capital outlay	337,000	337,000	25,045	311,955
Total expenditures	505,294	505,294	162,291	343,003
Excess of revenues and sources over (under) expenditures and other (uses)	(60,324)	(60,324)	90,252	150,576
Fund balance, January 1	651,988	651,988	661,699	9,711
Fund balance, December 31	\$ 591,664	\$ 591,664	\$ 751,951	\$ 160,287

The accompanying notes are an integral part of this statement.

Town of Collbran
Sewer Fund
Schedule of Revenues, Expenditures and Changes in Available
Resources-Budget and Actual
(Non-GAAP Budgetary Basis)
Year Ended December 31, 2024

	<u>Budgeted</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
User fees	\$ 160,901	\$ 160,901	\$ 147,466	\$ (13,435)
Tap fees	-	-	4,500	4,500
Other revenues	700	700	296	(404)
Total revenues	<u>161,601</u>	<u>161,601</u>	<u>152,262</u>	<u>(9,339)</u>
Expenditures				
Salaries and benefits	56,921	56,921	46,206	10,715
Professional services	32,655	32,655	18,373	14,282
Supplies and chemicals	17,700	17,700	6,894	10,806
Utilities	14,590	14,590	26,882	(12,292)
Repairs and maintenance	19,500	19,500	42,727	(23,227)
Other	10,387	10,387	4,421	5,966
Capital outlay	50,000	50,000	-	50,000
Total expenditures	<u>201,753</u>	<u>201,753</u>	<u>145,503</u>	<u>56,250</u>
Excess of revenues and sources over (under) expenditures and other (uses)	(40,152)	(40,152)	6,759	46,911
Fund Balance, January 1	<u>260,754</u>	<u>260,754</u>	<u>260,122</u>	<u>(632)</u>
Fund balance, December 31	<u>\$ 220,602</u>	<u>\$ 220,602</u>	<u>\$ 266,881</u>	<u>\$ 46,279</u>

The accompanying notes are an integral part of this statement.

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

LOCAL HIGHWAY FINANCE REPORT	City or County: City
	YEAR ENDING : December 2024

This Information From The Records Of: Town of Collbran, Colorado	Prepared By: Karla Distel Phone: (970)487-3751
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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)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	142,189
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	0	b. Snow and ice removal	71,308
3. Other local imposts (from page 2)	194,040	c. Other	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	71,308
5. Transfers from toll facilities		4. General administration & miscellaneous	0
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues		6. Total (1 through 5)	213,497
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	194,040	b. Redemption	
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	19,457	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	213,497	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	213,497

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 Disbursements	D. Ending Balance	E. Reconciliation
	0	213,497	213,497	0	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2024

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 Assessments	380	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	191,230	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses	0	f. Charges for Services	
5. Specific Ownership &/or Other	2,430	g. Other Misc. Receipts	0
6. Total (1. through 5.)	193,660	h. Other	0
c. Total (a. + b.)	194,040		

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	18,434	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	1,023	d. Federal Transit Admin	
d. DOLA Grant	0	e. U.S. Corps of Engineers	
e. Other	0	f. Other Federal	0
f. Total (a. through e.)	1,023	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	19,457	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
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		0	0
(3). System Preservation		0	0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0

(Carry forward to page 1)

Notes and Comments: