

Town of De Beque  
De Beque, Colorado

Financial Statements  
December 31, 2024



**Town of De Beque, Colorado  
Financial Report  
December 31, 2024**

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# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

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## INDEPENDENT AUDITOR'S REPORT

**To the Mayor and Board of Trustees  
Town of De Beque, Colorado**

### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of De Beque, Colorado (the "Town"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of De Beque'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, and each major fund of the Town of De Beque 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 ("U.S. GAAP").

### ***Basis for Opinions***

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

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

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

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

*Member: American Institute of Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT  
To the Mayor and Board of Trustees  
Town of De Beque, Colorado**

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

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

***Required Supplementary Information***

U.S. GAAP require the Management's Discussion and Analysis on pages i - vi, and the Schedule of Town's Proportionate Share of the Net Pension Liability (Asset) and the Schedule of Town Contributions in section E be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in 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. 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.

**INDEPENDENT AUDITOR'S REPORT  
To the Mayor and Board of Trustees  
Town of De Beque, Colorado**

***Supplementary Information***

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

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

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.  
Avon, Colorado  
June 13, 2025**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Town of De Beque, Colorado

## Management's Discussion and Analysis December 31, 2024

The financial managers of the Town of De Beque (the "Town") present the following discussion and analysis of the Town's financial performance to provide an overview of the Town's financial activities for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the Town.

### Financial Highlights

- The Governmental Funds reported fund balances of \$4,171,541 at December 31, 2024, a decrease of \$349,088 from December 31, 2023.
- The Business-type Funds reported net position of \$4,231,614 at December 31, 2024, an increase of \$332,687 from December 31, 2023.
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned*) components of *fund balance*, for the General Fund was \$3,982,030 or approximately 128% of total General Fund expenditures.

### Overview of the Financial Statements

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

The government-wide financial statements, fund financial statements and notes to the financial statements are discussed below.

### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. They are prepared using the full accrual basis of accounting.

The Statement of Net Position presents information on all the Town's assets, liabilities (both short-term and long-term, if any), and deferred inflow of resources, with the difference between the amounts reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, conservation trust, and capital improvements. The business-type activities of the Town include water, sewer, and irrigation.

The government-wide financial statements can be found on pages B1 and B2 of this report.

## **Fund financial statements**

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

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. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the conservation trust fund, and capital improvement fund.

The basic governmental fund financial statements can be found on pages C1 through C3 of this report.

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

The basic proprietary fund financial statements can be found on pages C4 through C6 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.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Town's budgetary comparisons for the general fund, the conservation trust fund, and capital improvement fund. Required supplemental information can be found on pages E1 through E4 of this report. Schedules of Revenues and Expenditures – Actual and Budget for proprietary funds are presented immediately following the required supplemental information. They can be found on pages F2 through F4 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve, over time, as a useful indicator of the government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$10,721,285 at December 31, 2024 and by \$9,828,609 at December 31, 2023.

The following summarized the Town's net position at December 31:

|   | Governmental<br>Activities |                     | Business-type<br>Activities |                     | Total                |                     |
|---|----------------------------|---------------------|-----------------------------|---------------------|----------------------|---------------------|
|   | 2024                       | 2023                | 2024                        | 2023<br>(restated)  | 2024                 | 2023<br>(restated)  |
| <b>Assets:</b>                            |                            |                     |                             |                     |                      |                     |
| Current and other assets                  | \$ 4,901,856               | \$ 4,910,119        | \$ 1,211,108                | \$ 1,175,108        | \$ 6,112,964         | \$ 6,085,227        |
| Capital assets                            | 2,194,921                  | 1,286,699           | 3,946,700                   | 3,544,423           | 6,141,621            | 4,831,122           |
| <b>Total Assets</b>                       | <b>7,096,777</b>           | <b>6,196,818</b>    | <b>5,157,808</b>            | <b>4,719,531</b>    | <b>12,254,585</b>    | <b>10,916,349</b>   |
| <b>Deferred Outflows<br/>of Resources</b> | <b>162,901</b>             | <b>172,568</b>      | <b>-</b>                    | <b>-</b>            | <b>162,901</b>       | <b>172,568</b>      |
| <b>Liabilities:</b>                       |                            |                     |                             |                     |                      |                     |
| Current liabilities                       | 623,235                    | 311,842             | 113,534                     | 580,135             | 736,769              | 891,977             |
| Noncurrent liabilities                    | -                          | -                   | 812,660                     | 240,469             | 812,660              | 240,469             |
| <b>Total Liabilities</b>                  | <b>623,235</b>             | <b>311,842</b>      | <b>926,194</b>              | <b>820,604</b>      | <b>1,549,429</b>     | <b>1,132,446</b>    |
| <b>Deferred Inflows<br/>of Resources</b>  | <b>146,772</b>             | <b>127,862</b>      | <b>-</b>                    | <b>-</b>            | <b>146,772</b>       | <b>127,862</b>      |
| <b>Net position:</b>                      |                            |                     |                             |                     |                      |                     |
| Net investment in<br>capital assets       | 2,194,921                  | 1,311,282           | 3,634,040                   | 3,303,954           | 5,828,961            | 4,615,236           |
| Restricted                                | 189,511                    | 163,531             | -                           | 77,000              | 189,511              | 240,531             |
| Unrestricted                              | 4,105,239                  | 4,454,869           | 597,574                     | 517,973             | 4,702,813            | 4,972,842           |
| <b>Total Net Position</b>                 | <b>\$ 6,489,671</b>        | <b>\$ 5,929,682</b> | <b>\$ 4,231,614</b>         | <b>\$ 3,898,927</b> | <b>\$ 10,721,285</b> | <b>\$ 9,828,609</b> |

Most of the Town's assets are reflected in the investment in capital assets (i.e. land, buildings, equipment, and infrastructure). Capital assets account for 50% of the total assets. The Town will use these assets to provide services to the residents. Therefore, these assets are not an available source for funding of future spending.

Noncurrent liabilities increased \$491,354 from the previous year due to the increase to the 2023 Water Revenue Loan, which the Town began repaying back in 2024, although has not received the loan proceeds. This note was issued to fund water treatment plant capital projects.

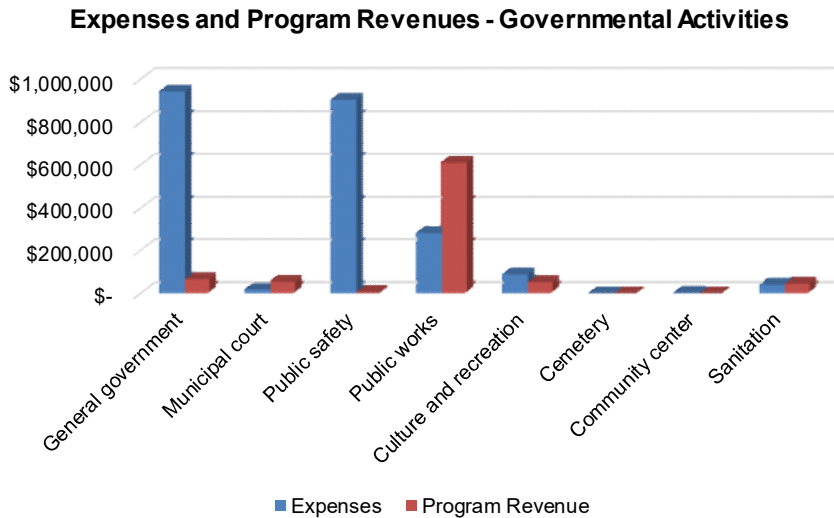
## Government-wide Financial Analysis (continued)

The following summarizes the change in the Town's net position for the year ended December 31:

|                                 | Governmental<br>Activities |                     | Business-type<br>Activities |                     | Total                |                     |
|---------------------------------|----------------------------|---------------------|-----------------------------|---------------------|----------------------|---------------------|
|                                 | 2024                       | 2023                | 2024                        | 2023<br>(restated)  | 2024                 | 2023<br>(restated)  |
| <b>REVENUES:</b>                |                            |                     |                             |                     |                      |                     |
| Program revenues:               |                            |                     |                             |                     |                      |                     |
| Charges for services            | \$ 180,328                 | \$ 185,214          | \$ 548,277                  | \$ 540,975          | \$ 728,605           | \$ 726,189          |
| Operating grants                | 41,000                     | 11,058              | -                           | -                   | 41,000               | 11,058              |
| Capital grants                  | 627,615                    | 6,876               | 470,927                     | 2,782,735           | 1,098,542            | 2,789,611           |
| General revenues:               |                            |                     |                             |                     |                      |                     |
| Taxes                           | 1,794,904                  | 2,028,868           | -                           | -                   | 1,794,904            | 2,028,868           |
| Earnings on investments         | 232,661                    | 215,050             | -                           | -                   | 232,661              | 215,050             |
| Miscellaneous                   | 7,838                      | 28,783              | -                           | 6,885               | 7,838                | 35,668              |
| Gain on disposal of assets      | -                          | 2,606               | -                           | -                   | -                    | 2,606               |
| <b>Total Revenues</b>           | <b>2,884,346</b>           | <b>2,478,455</b>    | <b>1,019,204</b>            | <b>3,330,595</b>    | <b>3,903,550</b>     | <b>5,809,050</b>    |
| <b>EXPENSES:</b>                |                            |                     |                             |                     |                      |                     |
| General government              | 945,064                    | 860,784             | -                           | -                   | 945,064              | 860,784             |
| Municipal court                 | 20,228                     | 29,144              | -                           | -                   | 20,228               | 29,144              |
| Public safety                   | 906,955                    | 836,675             | -                           | -                   | 906,955              | 836,675             |
| Public works                    | 282,592                    | 211,846             | -                           | -                   | 282,592              | 211,846             |
| Culture and recreation          | 90,132                     | 87,289              | -                           | -                   | 90,132               | 87,289              |
| Cemetery                        | 343                        | 625                 | -                           | -                   | 343                  | 625                 |
| Community center                | 4,363                      | 1,391               | -                           | -                   | 4,363                | 1,391               |
| Sanitation                      | 42,784                     | 48,976              | -                           | -                   | 42,784               | 48,976              |
| Water                           | -                          | -                   | 394,167                     | 2,357,898           | 394,167              | 2,357,898           |
| Sewer                           | -                          | -                   | 292,289                     | 244,810             | 292,289              | 244,810             |
| Irrigation                      | -                          | -                   | 31,957                      | 19,185              | 31,957               | 19,185              |
| <b>Total Expenses</b>           | <b>2,292,461</b>           | <b>2,076,730</b>    | <b>718,413</b>              | <b>2,621,893</b>    | <b>3,010,874</b>     | <b>4,698,623</b>    |
| <b>Change in Net Position</b>   | <b>591,885</b>             | <b>401,725</b>      | <b>300,791</b>              | <b>708,702</b>      | <b>892,676</b>       | <b>1,110,427</b>    |
| <b>Transfers</b>                | <b>(31,896)</b>            | <b>(47,340)</b>     | <b>31,896</b>               | <b>47,340</b>       | <b>-</b>             | <b>-</b>            |
| <b>Net Position - Beginning</b> | <b>5,929,682</b>           | <b>5,575,297</b>    | <b>3,898,927</b>            | <b>3,142,885</b>    | <b>9,828,609</b>     | <b>8,718,182</b>    |
| <b>Net position - Ending</b>    | <b>\$ 6,489,671</b>        | <b>\$ 5,929,682</b> | <b>\$ 4,231,614</b>         | <b>\$ 3,898,927</b> | <b>\$ 10,721,285</b> | <b>\$ 9,828,609</b> |

The Town's main source of revenue is property and sales taxes, which represented 62% of 2024 governmental activities revenue, compared to 82% in 2023 . Overall, tax revenue has decreased from prior years.

## Government-wide Financial Analysis (continued)



As shown in the chart below, revenues generated by the Town's programs are not sufficient to cover the costs. The Town relies on property taxes, sales taxes, investment income, and other general revenues to cover the costs associated with the various programs.

### Financial Analysis of the Town's Funds

As mentioned earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The General Fund has a fund balance of \$4,072,030 at December 31, 2024, a decrease of \$240,017 from December 31, 2023. The unassigned portion of the fund balance in the amount of \$3,980,109 is available for spending.

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

### Budgetary Highlights

The budget to actual comparisons can be found on pages E1 through F4 of this report. The schedules present both the original and final fiscal year budgets.

## Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2024, amount to \$6,141,621 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, water and wastewater plans, and roads and bridges. The table below presents a comparison to prior year asset type.

### Town of De Beque's Capital Assets (net of accumulated depreciation)

|   | Governmental Activities |                    | Business-type Activities |                    | Total              |                    |
|---|-------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------|
|   | 2024                    | 2023               | 2024                     | 2023               | 2024               | 2023               |
| Land                                      | \$ 140,951              | \$ 140,951         | \$ -                     | \$ -               | \$ 140,951         | \$ 140,951         |
| Buildings and improvements                | 174,990                 | 186,813            | -                        | -                  | 174,990            | 186,813            |
| General government equipment              | 9,928                   | 1,800              | -                        | -                  | 9,928              | 1,800              |
| Public safety equipment                   | 250,816                 | 133,631            | -                        | -                  | 250,816            | 133,631            |
| Public works equipment                    | 124,545                 | 139,658            | -                        | -                  | 124,545            | 139,658            |
| Parks, recreation and other               | 25,528                  | 24,392             | -                        | -                  | 25,528             | 24,392             |
| Infrastructure                            | 653,738                 | 652,979            | -                        | -                  | 653,738            | 652,979            |
| Water plant and storage reservoirs        | -                       | -                  | 1,560,279                | 1,640,805          | 1,560,279          | 1,640,805          |
| Water rights, meters and equipment        | -                       | -                  | 102,043                  | 113,711            | 102,043            | 113,711            |
| Sewer treatment and generation facilities | -                       | -                  | 72,550                   | 82,013             | 72,550             | 82,013             |
| Collection and distribution system        | -                       | -                  | 1,399,793                | 677,532            | 1,399,793          | 677,532            |
| Construction in progress                  | 814,425                 | 6,475              | 812,035                  | 1,030,362          | 1,626,460          | 1,036,837          |
| <b>Total</b>                              | <b>\$2,194,921</b>      | <b>\$1,286,699</b> | <b>\$3,946,700</b>       | <b>\$3,544,423</b> | <b>\$6,141,621</b> | <b>\$4,831,122</b> |

Additional information on the Town's capital assets can be found in Note III.C of this report.

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt and notes payable outstanding of \$812,660.

### Town of De Beque's Outstanding Debt

|               | Governmental Activities |      | Business-type Activities |         | Total   |         |
|---------------|-------------------------|------|--------------------------|---------|---------|---------|
|               | 2024                    | 2023 | 2024                     | 2023    | 2024    | 2023    |
| Notes Payable | -                       | -    | 812,660                  | 240,469 | 812,660 | 240,469 |

Additional information on the Town's long-term debt can be found in Note III.D of this report.

## Economic Factors and Future Budgeting

The Town's fund balance is \$4,171,541 beginning January 1, 2025 and provides a positive economic outlook for future potential considerations in expanded projects or capital improvements.

## Request for Information

This financial report is designed to provide a general overview of the Town'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: Care' McInnis, Town Manager, 381 Minter Avenue, De Beque, CO 81630, or you may call (970) 283-5475.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Town of De Beque, Colorado**  
**Statement of Net Position**  
**December 31, 2024**

|   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>      |
|---|------------------------------------|-------------------------------------|-------------------|
| <b>Assets:</b>                              |                                    |                                     |                   |
| Cash and investments - Unrestricted         | 3,792,126                          | 313,295                             | 4,105,421         |
| Internal balances                           | 195,160                            | (195,160)                           | -                 |
| Prepaid expense                             | 1,921                              | 62,979                              | 64,900            |
| Receivables, net:                           |                                    |                                     |                   |
| Property tax                                | 107,080                            | -                                   | 107,080           |
| Intergovernmental                           | 801,835                            | 413,926                             | 1,215,761         |
| Loan funding                                | -                                  | 500,000                             | 500,000           |
| Other                                       | 3,734                              | 116,068                             | 119,802           |
| Capital assets, net                         | 2,194,921                          | 3,946,700                           | 6,141,621         |
| <b>Total Assets</b>                         | <u>7,096,777</u>                   | <u>5,157,808</u>                    | <u>12,254,585</u> |
| <b>Deferred Outflows of Resources:</b>      |                                    |                                     |                   |
| Pension related deferred outflows           | 162,901                            | -                                   | 162,901           |
| <b>Total Deferred Outflows of Resources</b> | <u>162,901</u>                     | <u>-</u>                            | <u>162,901</u>    |
| <b>Liabilities:</b>                         |                                    |                                     |                   |
| Vouchers/accounts payable                   | 473,720                            | 31,365                              | 505,085           |
| Accrued expenses                            | 48,871                             | 43,386                              | 92,257            |
| Accrued interest payable                    | -                                  | 1,063                               | 1,063             |
| Accrued compensated absences                | 96,944                             | 37,720                              | 134,664           |
| Deferred revenue                            | 3,700                              | -                                   | 3,700             |
| Notes payable:                              |                                    |                                     |                   |
| Due within one year                         | -                                  | 30,352                              | 30,352            |
| Due in more than one year                   | -                                  | 782,308                             | 782,308           |
| <b>Total Liabilities</b>                    | <u>623,235</u>                     | <u>926,194</u>                      | <u>1,549,429</u>  |
| <b>Deferred Inflows of Resources:</b>       |                                    |                                     |                   |
| Unavailable property tax revenue            | 107,080                            | -                                   | 107,080           |
| Pension related deferred inflows            | 39,692                             | -                                   | 39,692            |
| <b>Total Deferred Inflows of Resources</b>  | <u>146,772</u>                     | <u>-</u>                            | <u>146,772</u>    |
| <b>Net Position:</b>                        |                                    |                                     |                   |
| Net investment in capital assets            | 2,194,921                          | 3,634,040                           | 5,828,961         |
| Restricted for:                             |                                    |                                     |                   |
| Emergencies                                 | 90,000                             | -                                   | 90,000            |
| Restricted for conservation trust           | 99,511                             | -                                   | 99,511            |
| Unrestricted                                | 4,105,239                          | 597,574                             | 4,702,813         |
| <b>Total Net Position</b>                   | <u>6,489,671</u>                   | <u>4,231,614</u>                    | <u>10,721,285</u> |

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



**FUND FINANCIAL STATEMENTS**

**Town of De Beque, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2024**

|  | <u>General<br/>Fund</u> | <u>Conservation<br/>Trust<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Total</u>     |
|--|-------------------------|--|--------------------------------------|------------------|
| <b>Assets:</b>   |                         |  |                                      |                  |
| Cash and investments - Unrestricted  | 3,692,615               | 99,511                                 | -                                    | 3,792,126        |
| Accounts receivable, net   | 3,734                   | -                                      | -                                    | 3,734            |
| Property taxes receivable  | 107,080                 | -                                      | -                                    | 107,080          |
| Intergovernmental receivables  | 801,835                 | -                                      | -                                    | 801,835          |
| Prepaid items  | 1,921                   | -                                      | -                                    | 1,921            |
| Due from other funds   | 195,160                 | -                                      | -                                    | 195,160          |
| <b>Total Assets</b>  | <u>4,802,345</u>        | <u>99,511</u>                          | <u>-</u>                             | <u>4,901,856</u> |
| <b>Liabilities, Deferred Inflows of Resources,<br/>and Fund Balance:</b>       |                         |  |                                      |                  |
| <b>Liabilities:</b>  |                         |  |                                      |                  |
| Vouchers/accounts payable  | 473,720                 | -                                      | -                                    | 473,720          |
| Accrued expenses   | 48,871                  | -                                      | -                                    | 48,871           |
| Unearned grant revenue   | 3,700                   | -                                      | -                                    | 3,700            |
| Accrued compensated absences   | 96,944                  | -                                      | -                                    | 96,944           |
| <b>Total Liabilities</b>   | <u>623,235</u>          | <u>-</u>                               | <u>-</u>                             | <u>623,235</u>   |
| <b>Deferred Inflows of Resources:</b>  |                         |  |                                      |                  |
| Unavailable property tax revenue   | 107,080                 | -                                      | -                                    | 107,080          |
| <b>Total Deferred Inflows of Resources</b>                                     | <u>107,080</u>          | <u>-</u>                               | <u>-</u>                             | <u>107,080</u>   |
| <b>Fund Balance:</b>   |                         |  |                                      |                  |
| Non-spendable  | 1,921                   | -                                      | -                                    | 1,921            |
| Restricted:  |                         |  |                                      |                  |
| Restricted for emergencies   | 90,000                  | -                                      | -                                    | 90,000           |
| Restricted for conservation trust  | -                       | 99,511                                 | -                                    | 99,511           |
| Unassigned   | 3,980,109               | -                                      | -                                    | 3,980,109        |
| <b>Total Fund Balance</b>  | <u>4,072,030</u>        | <u>99,511</u>                          | <u>-</u>                             | <u>4,171,541</u> |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources, and Fund Balances</b> | <u>4,802,345</u>        | <u>99,511</u>                          | <u>-</u>                             |                  |

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

|  |                  |
|--|------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.          | 2,194,921        |
| The net pension liability (asset) and related deferrals are not available resources and, therefore, are not reported in the funds. | <u>123,209</u>   |
| <b>Net Position of Governmental Activities</b>   | <u>6,489,671</u> |

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

**Town of De Beque, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2024**

|   | <u>General<br/>Fund</u> | <u>Conservation<br/>Trust<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Total</u>            |
|---|-------------------------|--|--------------------------------------|-------------------------|
| <b>Revenues:</b>                            |                         |  |                                      |                         |
| Taxes                                       | 1,794,903               | -                                      | -                                    | 1,794,903               |
| Intergovernmental                           | 662,570                 | 6,045                                  | -                                    | 668,615                 |
| Charges for services                        | 180,328                 | -                                      | -                                    | 180,328                 |
| Earnings on investments                     | 227,726                 | 4,935                                  | -                                    | 232,661                 |
| Miscellaneous                               | 7,838                   | -                                      | -                                    | 7,838                   |
| <b>Total Revenues</b>                       | <u>2,873,365</u>        | <u>10,980</u>                          | <u>-</u>                             | <u>2,884,345</u>        |
| <b>Expenditures:</b>                        |                         |  |                                      |                         |
| General government                          | 871,497                 | -                                      | -                                    | 871,497                 |
| Municipal court                             | 20,228                  | -                                      | -                                    | 20,228                  |
| Public safety                               | 876,351                 | -                                      | -                                    | 876,351                 |
| Public works                                | 263,668                 | -                                      | -                                    | 263,668                 |
| Culture and recreation                      | 69,577                  | -                                      | -                                    | 69,577                  |
| Cemetery                                    | 343                     | -                                      | -                                    | 343                     |
| Community center                            | 4,363                   | -                                      | -                                    | 4,363                   |
| Sanitation                                  | 42,784                  | -                                      | -                                    | 42,784                  |
| Capital outlay                              | 932,675                 | -                                      | 120,051                              | 1,052,726               |
| <b>Total Expenditures</b>                   | <u>3,081,486</u>        | <u>-</u>                               | <u>120,051</u>                       | <u>3,201,537</u>        |
| <b>Other Financing Sources (Uses):</b>      |                         |  |                                      |                         |
| Transfers in (out)                          | (31,896)                | -                                      | -                                    | (31,896)                |
| <b>Total Other Financing Sources (Uses)</b> | <u>(31,896)</u>         | <u>-</u>                               | <u>-</u>                             | <u>(31,896)</u>         |
| <b>Net Change in Fund Balances</b>          | (240,017)               | 10,980                                 | (120,051)                            | (349,088)               |
| <b>Fund Balances - Beginning</b>            | <u>4,312,047</u>        | <u>88,531</u>                          | <u>120,051</u>                       | <u>4,520,629</u>        |
| <b>Fund Balances - Ending</b>               | <u><u>4,072,030</u></u> | <u><u>99,511</u></u>                   | <u><u>-</u></u>                      | <u><u>4,171,541</u></u> |

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

**Town of De Beque, Colorado**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balance of Governmental**  
**Funds to the Statement of Activities**  
**For the Year Ended December 31, 2024**

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|   |           |
|---|-----------|
| <b>Net Change in Fund Balance of Governmental Funds</b> | (349,088) |
|---|-----------|

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay during the year.

|                      |                 |         |
|----------------------|-----------------|---------|
| Capital outlay       | 997,348         |         |
| Depreciation expense | <u>(89,126)</u> |         |
|                      |                 | 908,222 |

Some expenses (income) reported in the statement of activities do not require the use (receipt) of current financial resources and therefore are not reported as expenditures (revenues) in governmental funds.

|                             |            |
|-----------------------------|------------|
| Change in pension deferrals | <u>855</u> |
|-----------------------------|------------|

|  |                       |
|--|-----------------------|
| <b>Change in Net Position of Governmental Activities</b> | <u><u>559,989</u></u> |
|--|-----------------------|

**Town of De Beque, Colorado**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2024**

|  | <u>Water<br/>Fund</u> | <u>Sewer<br/>Fund</u> | <u>Irrigation<br/>Fund</u> | <u>Total</u>     |
|--|-----------------------|-----------------------|----------------------------|------------------|
| <b>Assets:</b>                         |                       |                       |                            |                  |
| <b>Current assets:</b>                 |                       |                       |                            |                  |
| Cash and cash equivalents              | -                     | 188,765               | 124,530                    | 313,295          |
| Prepaid expense                        | 62,979                | -                     | -                          | 62,979           |
| Accounts receivable, net               | 964,173               | 63,737                | 2,084                      | 1,029,994        |
| <b>Total - Current assets</b>          | <u>1,027,152</u>      | <u>252,502</u>        | <u>126,614</u>             | <u>1,406,268</u> |
| <b>Non-current assets:</b>             |                       |                       |                            |                  |
| Capital assets, at cost                | 4,646,474             | 2,458,100             | 414,397                    | 7,518,971        |
| Accumulated depreciation               | (2,569,286)           | (831,949)             | (171,036)                  | (3,572,271)      |
| <b>Total - Non-current assets</b>      | <u>2,077,188</u>      | <u>1,626,151</u>      | <u>243,361</u>             | <u>3,946,700</u> |
| <b>Total Assets</b>                    | <u>3,104,340</u>      | <u>1,878,653</u>      | <u>369,975</u>             | <u>5,352,968</u> |
| <b>Liabilities:</b>                    |                       |                       |                            |                  |
| <b>Current liabilities:</b>            |                       |                       |                            |                  |
| Vouchers/accounts payable              | 2,469                 | 28,610                | 286                        | 31,365           |
| Accrued expenses                       | 36,968                | 6,418                 | -                          | 43,386           |
| Due to other funds                     | 195,160               | -                     | -                          | 195,160          |
| Accrued interest payable               | 1,063                 | -                     | -                          | 1,063            |
| Accrued compensated absences           | 18,860                | 18,860                | -                          | 37,720           |
| Notes payable                          | 30,352                | -                     | -                          | 30,352           |
| <b>Total - Current liabilities</b>     | <u>284,872</u>        | <u>53,888</u>         | <u>286</u>                 | <u>339,046</u>   |
| <b>Non-current liabilities:</b>        |                       |                       |                            |                  |
| Notes payable                          | 782,308               | -                     | -                          | 782,308          |
| <b>Total - Non-current liabilities</b> | <u>782,308</u>        | <u>-</u>              | <u>-</u>                   | <u>782,308</u>   |
| <b>Total Liabilities</b>               | <u>1,067,180</u>      | <u>53,888</u>         | <u>286</u>                 | <u>1,121,354</u> |
| <b>Net Position:</b>                   |                       |                       |                            |                  |
| Net investment in capital assets       | 1,764,528             | 1,626,151             | 243,361                    | 3,634,040        |
| Unrestricted                           | 272,632               | 198,614               | 126,328                    | 597,574          |
| <b>Total Net Position</b>              | <u>2,037,160</u>      | <u>1,824,765</u>      | <u>369,689</u>             | <u>4,231,614</u> |

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

**Town of De Beque, Colorado**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2024**

|   | <u>Water<br/>Fund</u>   | <u>Sewer<br/>Fund</u>   | <u>Irrigation<br/>Fund</u> | <u>Total</u>            |
|---|-------------------------|-------------------------|----------------------------|-------------------------|
| <b>Operating Revenues:</b>  |                         |                         |                            |                         |
| User charges  | 308,057                 | 214,018                 | 19,164                     | 541,239                 |
| Miscellaneous   | 6,877                   | 161                     | -                          | 7,038                   |
| <b>Total Operating Revenues</b>                                     | <u>314,934</u>          | <u>214,179</u>          | <u>19,164</u>              | <u>548,277</u>          |
| <b>Operating Expenses:</b>  |                         |                         |                            |                         |
| Operating expenses  | 307,941                 | 260,223                 | 21,597                     | 589,761                 |
| Capital outlay  | 2,202                   | -                       | -                          | 2,202                   |
| Depreciation  | 81,834                  | 32,066                  | 10,360                     | 124,260                 |
| <b>Total Operating Expenses</b>                                     | <u>391,977</u>          | <u>292,289</u>          | <u>31,957</u>              | <u>716,223</u>          |
| <b>Income (Loss) from Operations</b>                                | (77,043)                | (78,110)                | (12,793)                   | (167,946)               |
| <b>Non-operating Revenues (Expenses):</b>                           |                         |                         |                            |                         |
| Capital grants and contributions                                    | 279,592                 | 78,805                  | -                          | 358,397                 |
| Interest expense  | (2,190)                 | -                       | -                          | (2,190)                 |
| <b>Total Non-operating Revenues (Expenses)</b>                      | <u>277,402</u>          | <u>78,805</u>           | <u>-</u>                   | <u>356,207</u>          |
| <b>Income (Loss) Before Capital Contributions<br/>and Transfers</b> | 200,359                 | 695                     | (12,793)                   | 188,261                 |
| Tap fees  | 65,280                  | 46,800                  | 450                        | 112,530                 |
| Transfers in (out)  | 27,993                  | 3,903                   | -                          | 31,896                  |
| <b>Change in Net Position</b>                                       | 293,632                 | 51,398                  | (12,343)                   | 332,687                 |
| <b>Net Position - Beginning (restated)</b>                          | <u>1,743,528</u>        | <u>1,773,367</u>        | <u>382,032</u>             | <u>3,898,927</u>        |
| <b>Net Position - Ending</b>  | <u><u>2,037,160</u></u> | <u><u>1,824,765</u></u> | <u><u>369,689</u></u>      | <u><u>4,231,614</u></u> |

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

**Town of De Beque, Colorado**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2024**

|   | <b>Water<br/>Fund</b> | <b>Sewer<br/>Fund</b> | <b>Irrigation<br/>Fund</b> | <b>Total</b>     |
|---|-----------------------|-----------------------|----------------------------|------------------|
| <b>Cash Flows From Operating Activities:</b>  |                       |                       |                            |                  |
| Cash received from customers  | 310,710               | 214,352               | 18,703                     | 543,765          |
| Other cash received   | 6,877                 | 161                   | -                          | 7,038            |
| Cash payments for goods and services  | (211,809)             | (114,536)             | (21,495)                   | (347,840)        |
| Cash payments to employees  | (163,272)             | (163,272)             | -                          | (326,544)        |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <b>(57,494)</b>       | <b>(63,295)</b>       | <b>(2,792)</b>             | <b>(123,581)</b> |
| <b>Cash Flows From Non-capital Financing Activities:</b>  |                       |                       |                            |                  |
| Transfers in (out)  | 272,149               | (45,093)              | -                          | 227,056          |
| <b>Net Cash Provided (Used) by Non-capital Financing Activities</b>   | <b>272,149</b>        | <b>(45,093)</b>       | <b>-</b>                   | <b>227,056</b>   |
| <b>Cash Flows From Capital and Related Financing Activities:</b>  |                       |                       |                            |                  |
| Connection fees   | 65,280                | 46,800                | 450                        | 112,530          |
| Cash paid for capital assets  | (443,073)             | (531,332)             | -                          | (974,405)        |
| Capital grants  | 84,829                | 781,685               | -                          | 866,514          |
| Debt issuance proceeds  | 80,837                | -                     | -                          | 80,837           |
| Principal payments on note payable  | (8,645)               | -                     | -                          | (8,645)          |
| Interest paid   | (1,482)               | -                     | -                          | (1,482)          |
| <b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>                                 | <b>(222,254)</b>      | <b>297,153</b>        | <b>450</b>                 | <b>75,349</b>    |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>   | <b>(7,599)</b>        | <b>188,765</b>        | <b>(2,342)</b>             | <b>178,824</b>   |
| <b>Cash and Cash Equivalents - Beginning</b>  | <b>7,599</b>          | <b>-</b>              | <b>126,872</b>             | <b>134,471</b>   |
| <b>Cash and Cash Equivalents - Ending</b>   | <b>-</b>              | <b>188,765</b>        | <b>124,530</b>             | <b>313,295</b>   |
| <b>Reconciliation of Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:</b> |                       |                       |                            |                  |
| Income (loss) from operations   | (77,043)              | (78,110)              | (12,793)                   | (167,946)        |
| <b>Adjustments to Reconcile:</b>  |                       |                       |                            |                  |
| Depreciation  | 81,834                | 32,066                | 10,360                     | 124,260          |
| (Increase) decrease in accounts receivable  | 2,653                 | 334                   | (461)                      | 2,526            |
| (Increase) decrease in prepaid expenses   | (62,979)              | -                     | -                          | (62,979)         |
| Increase (decrease) in accounts payable   | (4,006)               | (17,347)              | 102                        | (21,251)         |
| Increase (decrease) in accrued expenses   | 2,047                 | (238)                 | -                          | 1,809            |
| <b>Total Adjustments</b>  | <b>19,549</b>         | <b>14,815</b>         | <b>10,001</b>              | <b>44,365</b>    |
| <b>Net Cash Provided (Used) by Operating Activities</b>   | <b>(57,494)</b>       | <b>(63,295)</b>       | <b>(2,792)</b>             | <b>(123,581)</b> |

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

**NOTES TO THE FINANCIAL STATEMENTS**

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**

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**I. Summary of Significant Accounting Policies**

The Town of De Beque, Colorado (the “Town”) was incorporated under the laws of the State of Colorado. 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 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 Town are discussed below.

**A. Reporting Entity**

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

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

**B. Government-wide Financial Statements**

The Town’s basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town’s public safety, public works, municipal court, culture and recreation, and administration are classified as governmental activities. The Town’s water and sewer utilities and irrigation services are classified as business-type activities.

The government-wide statement of activities reports both the gross and net cost of each of the Town’s functions and business-type activities (public safety, public works, utilities, etc.). The functions are also supported by general government revenues (property and sales taxes, specific ownership taxes, investment earnings, 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 (public safety, public works, etc.) or a business-type activity.

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

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**I. Summary of Significant Accounting Policies (continued)**

**C. Fund Financial Statements**

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

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

The Town reports the following 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 another fund.

The *Conservation Trust Fund* accounts for funds received from the state lottery program to fund recreational capital projects.

The *Capital Projects Fund* accounts for funds set aside for expenditure on major capital projects.

The Town reports the following proprietary funds:

The *Sewer Fund* accounts for the revenues and expenses associated with the collection and treatment of sewage within the Town's jurisdiction.

The *Water Fund* accounts for revenues and expenses associated with providing water services to the Town's residents.

The *Irrigation Fund* accounts for revenues and expenses associated with irrigation within the Town.

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

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

**1. Long-term Economic Focus and Accrual Basis**

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

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**I. Summary of Significant Accounting Policies (continued)**

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

**2. Current Financial Focus and Modified Accrual Basis**

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

**3. Financial Statement Presentation**

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

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

**E. Financial Statement Accounts**

**1. Cash, Cash Equivalents, and Investments**

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

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

For the statements of cash flows of the enterprise funds, the cash balances of substantially all funds are pooled for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at December 31, 2024, based on market prices. Each individual fund's portion of the pool's fair value is presented as cash and cash equivalents or short-term investments. Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the average monthly balance of each participating fund.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**1. Cash, Cash Equivalents, and Investments (continued)**

The Town follows Colorado statutes specifying specific investment instruments meeting defined rating criteria in which local governments may invest, which 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
- Banker's acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pools

**2. Receivables**

Receivables are reported net of an allowance for uncollectible accounts. No allowance is recorded at December 31, 2024, as all accounts are considered to be collectible.

**3. Property Taxes**

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

**4. Capital Assets**

Capital assets are reported in the applicable governmental activity columns in the government-wide financial statements. The Town defines capital assets as assets with an initial cost of \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are capitalized based on their acquisition value at the date of donation.

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

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**4. Capital Assets (continued)**

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful life often extends beyond most other capital assets and because they are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

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

| <u>Assets</u>                   | <u>Years</u> |
|---------------------------------|--------------|
| Infrastructure                  | 20-40        |
| Equipment                       | 5-10         |
| Water and sewer systems         | 10-40        |
| Treatment and filtration plants | 40-50        |
| Buildings                       | 20-40        |

**5. Compensated Absences**

The Town allows its employees to accumulate paid time off for its full-time, regular employees. Paid time off is accrued by regular employees to use for approved vacation leave, medical leave, funeral leave, maternity leave, etc. Paid time off accrues based on years of service, as presented below, and has a maximum accrual of 520 hours.

| <u>Years of Service<br/>(in months)</u> | <u>Accrual per hours<br/>paid by the Town</u> | <u>Annual<br/>Accrual</u> |
|---|---|---------------------------|
| 0 to 60 months                          | 0.1289  | 268 hours                 |
| 61 to 120 months                        | 0.1414  | 294 hours                 |
| 121 to 180 months                       | 0.1538  | 320 hours                 |
| 181 to 240 months                       | 0.1663  | 346 hours                 |
| 241 months and beyond                   | 0.1788  | 372 hours                 |

At December 31, 2024, the estimated value of accumulated paid time off is \$134,664.

**6. Long-term Debt**

The government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities or proprietary fund type statement of net position.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**7. Interfund Transactions**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as “due to/from other funds.” Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

**8. Pensions**

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Town’s defined benefit pension plan and additions to/deductions from the fiduciary net position of the Town’s defined benefit pension plan have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**9. 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town has one item qualifying for this category. The collective deferred outflows related to the Town’s net pension obligation. Pension contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a change of the net pension liability or asset in future periods. Also, collective deferred outflows related to the Town’s net pension obligation are reported on the Statement of Net Position and are amortized over the average service lives of participants.

In addition to liabilities, the statement of financial 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two types of items that qualify for reporting in this category. Unavailable revenue from property taxes, reported in the governmental balance sheet are deferred and recognized as an inflow from resources in the period that the amounts become available. Collective deferred inflows related to the Town’s net pension obligation are reported on the Statement of Net Position and are amortized over the average service lives of participants.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**10. Comparative Information**

The financial statements include certain prior year comparative information. Accordingly, such information should be read in conjunction with the Town's financial statements for the fiscal year ended December 31, 2023, from which these totals were derived. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**F. Significant Accounting Policies**

**1. Use of Estimates**

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

**2. Categories and Classification of Fund Balances**

Government 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 the funds, but also provide clarity to the level of restriction place 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 with the General Fund. The General Fund should be the only fund balance 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 III.F.

**II. 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 Town followed this timetable in approving and enacting a budget for the ensuing year.

- (1)** For the 2024 budget, prior to August 25, 2023, the County Assessor sent to the Town a certified assessed valuation of all taxable property within the Town's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2023, only once by a single notification to the Town.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**II. Stewardship, Compliance, and Accountability (continued)**

**A. Budgetary Information (continued)**

- (2) On or before October 15, 2023, the Budget Director submitted to the District's Board of Directors a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.
- (3) Prior to December 15, 2023, the Town computed and certified to the County Commissioners a rate of levy that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget" and a public hearing, the Town adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget resolution, the Town may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) supplemental appropriations to the extent of revenues in excess of the estimate in the budget; (c) emergency appropriations; and (d) reduction of appropriations for which originally estimated revenues are insufficient.

Changes enacted by the Colorado Legislature delayed the Certification of County tax rolls. In November 2023, a short-term property tax solution was passed during a special session, allowing Counties an extension to December 29, 2023 to provide final assessed valuations. The deadlines for the mill levy certifications was extended from December 15, 2023, to January 5, 2024.

The level of control in the budget at which expenditures exceed appropriations is at the fund level. All appropriations lapse at year-end.

Expenditures and other financing uses in the following funds exceeded appropriations, which may be a violation of state statute:

| <b>Fund</b>                            | <b>Final Budget,<br/>Including<br/>Transfers Out</b> | <b>2024<br/>Expenditures</b> | <b>Over<br/>Budget</b> |
|--|--|------------------------------|------------------------|
| <b><u>Governmental Activities</u></b>  |  |                              |                        |
| General Fund                           | \$ 2,870,732   | \$ 3,113,382                 | \$ 242,650             |
| <b><u>Business-type Activities</u></b> |  |                              |                        |
| Irrigation Fund                        | 18,500   | 21,597                       | 3,097                  |

**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.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**II. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment (continued)**

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 Town has reserved \$90,000, which is the approximate required reserve at December 31, 2024.

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

**III. Detailed Notes on All Funds**

**A. Deposits and Investments**

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government 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. The 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 the aggregate uninsured deposits.

**Interest Rate Risk.** The Town limits its investments to savings accounts and investment pools (explained below) where each share is equal to one dollar and the Town avoids interest rate risk.

**Credit Risk.** Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including 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' acceptance 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's general investment policy is to apply the prudent-person rule; prudence and protection of Town funds are the primary criteria. All investments and bid requests for investments are predicated on liquidity, yield, safety and interest of the local economy. As of December 31, 2024, the Town's investment in Colotrust Plus and CSafe were rated AAAM by Standard and Poor's.

**Concentration of Credit Risk.** The Town invests most funds in 2a7-like pools and thus avoids a concentration of credit risk.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments**

Deposits and investments are presented on the Statement of Net Position as follows:

|                                   | <b>Standard &amp;<br/>Poors Rating</b> | <b>Carrying<br/>amounts</b> | <b>Maturities</b>             |                              |
|-----------------------------------|--|-----------------------------|-------------------------------|------------------------------|
|                                   |  |                             | <b>Less than<br/>one year</b> | <b>One to<br/>five years</b> |
| <b><u>Deposits:</u></b>           |  |                             |                               |                              |
| Petty cash                        | n/a                                    | \$ 509                      | \$ -                          | \$ -                         |
| Checking and savings              | n/a                                    | 492,747                     | -                             | -                            |
| <b><u>Investments:</u></b>        |  |                             |                               |                              |
| CSafe                             | AAAm                                   | 1,195,360                   | -                             | -                            |
| Colotrust                         | AAAm                                   | 2,416,805                   | -                             | -                            |
| <b>Total Cash and Investments</b> |  | <b>\$ 4,105,421</b>         | <b>\$ -</b>                   | <b>\$ -</b>                  |

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

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

*Pools* The Town's holdings in investment pools are comprised of balances with COLOTRUST, CSIP and C-SAFE, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The Town has no regulatory oversight for the pools. Investment balances in the pools are not subject to limitations or restrictions on withdrawals.

Unrealized gains / losses were \$0, which reflects the change in fair market value of investments. At December 31, 2024, the Town had the following recurring measurements:

|   |  |                     |
|---|--|---------------------|
| <b><u>Investments Measured at Net Asset Value</u></b> |  | <b><u>Total</u></b> |
| Colotrust   |  | \$ 2,416,805        |
| <b><u>Investments Measured at Amortized Cost</u></b>  |  | <b><u>Total</u></b> |
| CSafe   |  | \$ 1,195,360        |

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**B. Receivables**

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

|                          | General<br>Fund   | Enterprise Funds  |                  |                    | Total               |
|--------------------------|-------------------|-------------------|------------------|--------------------|---------------------|
|                          |                   | Water<br>Fund     | Sewer<br>Fund    | Irrigation<br>Fund |                     |
| Property tax             | \$ 107,080        | \$ -              | \$ -             | \$ -               | \$ 107,080          |
| Other                    | 3,734             | -                 | -                | -                  | 3,734               |
| Intergovernmental        | 801,835           | 913,926           | 42,258           |                    | 1,758,019           |
| Service charges          | -                 | 50,247            | 21,479           | 2,084              | 73,810              |
| <b>Gross receivables</b> | <b>\$ 912,649</b> | <b>\$ 964,173</b> | <b>\$ 63,737</b> | <b>\$ 2,084</b>    | <b>\$ 1,942,643</b> |

Governmental funds report *deferred inflow of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The \$107,080 of deferred inflow of resources is property taxes levied in 2024 but not available until 2024.

The Water Fund reports a \$500,000 loan funding receivable at December 31, 2024, to represent the proceeds of the 2023 Water Revenue Loan which have been drawn on, but not received.

**C. Interfund Payables and Transfers**

Interfund balances at December 31, 2024 were as follows:

| Fund         | Due From          | Due (To)            |
|--------------|-------------------|---------------------|
| General Fund |                   | \$ (195,160)        |
| Water Fund   | \$ 195,160        |                     |
|              | <u>\$ 195,160</u> | <u>\$ (195,160)</u> |

Interfund balances at December 31, 2024 are a result of interfund services provided.

Interfund transfers during 2024 were as follows:

| Fund         | Transfers<br>In  | Transfers<br>(Out) |
|--------------|------------------|--------------------|
| General Fund |                  | \$ (31,896)        |
| Water Fund   | \$ 27,993        |                    |
| Sewer Fund   | 3,903            |                    |
|              | <u>\$ 31,896</u> | <u>\$ (31,896)</u> |

The Town makes these transfers annually as necessary to assist with operating expenses of the Water and Sewer Funds, as tap fees and user rates aren't generally sufficient.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**D. Capital Assets**

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

|   | <b>Beginning<br/>Balance</b> | <b>Increases</b>  | <b>Decreases</b>  | <b>Ending<br/>Balance</b> |
|---|------------------------------|-------------------|-------------------|---------------------------|
| <b>Governmental Activities:</b>                     |                              |                   |                   |                           |
| Capital Assets, Not Being Depreciated:              |                              |                   |                   |                           |
| Land  | \$ 140,951                   | \$ -              | \$ -              | \$ 140,951                |
| Construction in progress                            | 6,475                        | 814,425           | (6,475)           | 814,425                   |
| <b>Total Capital Assets, Not Being Depreciated</b>  | <b>147,426</b>               | <b>814,425</b>    | <b>(6,475)</b>    | <b>955,376</b>            |
| Capital Assets, Being Depreciated:                  |                              |                   |                   |                           |
| Buildings and improvements                          | 1,075,030                    | -                 | -                 | 1,075,030                 |
| General government equipment                        | 9,000                        | 9,928             | -                 | 18,928                    |
| Public safety equipment                             | 200,071                      | 145,640           | -                 | 345,711                   |
| Public works equipment                              | 271,137                      | -                 | -                 | 271,137                   |
| Parks, recreation and other                         | 113,052                      | 7,080             | -                 | 120,132                   |
| Infrastructure                                      | 2,536,223                    | 26,750            | -                 | 2,562,973                 |
| <b>Total Capital Assets, Being Depreciated</b>      | <b>4,204,513</b>             | <b>189,398</b>    | <b>-</b>          | <b>4,393,911</b>          |
| Less Accumulated Depreciation For:                  |                              |                   |                   |                           |
| Buildings and improvements                          | (888,217)                    | (11,823)          | -                 | (900,040)                 |
| General government equipment                        | (7,200)                      | (1,800)           | -                 | (9,000)                   |
| Public safety equipment                             | (66,440)                     | (28,455)          | -                 | (94,895)                  |
| Public works equipment                              | (131,479)                    | (15,113)          | -                 | (146,592)                 |
| Culture, recreation and other                       | (88,660)                     | (5,944)           | -                 | (94,604)                  |
| Infrastructure                                      | (1,883,244)                  | (25,991)          | -                 | (1,909,235)               |
| <b>Total Accumulated Depreciation</b>               | <b>(3,065,240)</b>           | <b>(89,126)</b>   | <b>-</b>          | <b>(3,154,366)</b>        |
| <b>Total Capital Assets, Being Depreciated, Net</b> | <b>1,139,273</b>             | <b>100,272</b>    | <b>-</b>          | <b>1,239,545</b>          |
| <b>Total Capital Assets, Net</b>                    | <b>\$ 1,286,699</b>          | <b>\$ 914,697</b> | <b>\$ (6,475)</b> | <b>\$ 2,194,921</b>       |

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**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**D. Capital Assets (continued)**

|  | <b>Beginning<br/>Balance</b> | <b>Increases</b>    | <b>Decreases</b>    | <b>Ending<br/>Balance</b> |
|--|------------------------------|---------------------|---------------------|---------------------------|
| <b>Business-type Activities:</b>             |                              |                     |                     |                           |
| Capital Assets, Not Being Depreciated:       |                              |                     |                     |                           |
| Construction in progress                     | \$ 1,030,362                 | \$ 443,537          | \$ (661,864)        | \$ 812,035                |
| Total Capital Assets, Not Being Depreciated  | 1,030,362                    | 443,537             | (661,864)           | 812,035                   |
| Capital Assets, Being Depreciated:           |                              |                     |                     |                           |
| Water plant and storage reservoirs           | 4,165,244                    | -                   | -                   | 4,165,244                 |
| Water rights, meters and equipment           | 237,400                      | -                   | -                   | 237,400                   |
| Sewer treatment and generation facilities    | 568,588                      | -                   | -                   | 568,588                   |
| Collection and distribution system           | 990,840                      | 744,864             | -                   | 1,735,704                 |
| Total Capital Assets, Being Depreciated      | 5,962,072                    | 744,864             | -                   | 6,706,936                 |
| Less Accumulated Depreciation for:           |                              |                     |                     |                           |
| Water plant and storage reservoirs           | (2,524,439)                  | (80,526)            | -                   | (2,604,965)               |
| Water rights, meters and equipment           | (123,689)                    | (11,668)            | -                   | (135,357)                 |
| Sewer treatment and generation facilities    | (486,575)                    | (9,463)             | -                   | (496,038)                 |
| Collection and distribution system           | (313,308)                    | (22,603)            | -                   | (335,911)                 |
| Total Accumulated Depreciation               | (3,448,011)                  | (124,260)           | -                   | (3,572,271)               |
| Total Capital Assets, Being Depreciated, Net | 2,514,061                    | 620,604             | -                   | 3,134,665                 |
| <b>Total Capital Assets, Net</b>             | <b>\$ 3,544,423</b>          | <b>\$ 1,064,141</b> | <b>\$ (661,864)</b> | <b>\$ 3,946,700</b>       |

Depreciation expense and capital outlay was charged to functions of the primary government as follows:

|                                  | <b>Capital<br/>Outlay</b> | <b>Depreciation<br/>Expense</b> |
|----------------------------------|---------------------------|---------------------------------|
| <b>Governmental Activities:</b>  |                           |                                 |
| General government               | \$ 317,167                | \$ 39,614                       |
| Public safety                    | 145,640                   | 28,455                          |
| Public works                     | 527,461                   | 15,113                          |
| Parks and recreation             | 7,080                     | 5,944                           |
| <b>Total</b>                     | <b>\$ 997,348</b>         | <b>\$ 89,126</b>                |
| <b>Business-type Activities:</b> |                           |                                 |
| Water                            | \$ 443,073                | \$ 81,834                       |
| Sewer                            | 83,464                    | 32,066                          |
| Irrigation                       | -                         | 10,360                          |
| <b>Total</b>                     | <b>\$ 526,537</b>         | <b>\$ 124,260</b>               |

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**III. Detailed Notes on All Funds (continued)**

**E. Long-term Liabilities**

The Town has the following long-term debt outstanding as of December 31, 2024:

**1. Note payable to the Colorado Department of Local Affairs (DOLA)**

January 2007, original balance of \$100,000; due September 2026     \$   14,547

**2. 2023 Colorado Water Resources and Power Development Authority (“CWRPDA”) Drink Water Revolving Fund Loan**

In February 2023, the Town entered into a loan agreement with the Colorado Water Resources and Power Development Authority to finance a portion of the design and engineering costs of the Town’s water resource project. The loan was executed under the notion that 80% of the design and engineering costs would be financed by the loan, with the remaining 20% by the Town; however, the remaining 20% shall be reimbursed to the Town if the Town were to execute a loan under the Drinking Water Revolving Loan Fund, which the Town did later in 2023.

In 2025, the \$300,000 principal balance of this loan was forgiven.

**3. 2023 Water Revenue Loan**

In 2023, the Town entered into a loan agreement with CWRPDA in the principal amount of \$2,500,000 to fund a domestic water treatment plant. The agreement included principal forgiveness of \$2,000,000 that was applied at closing on December 11, 2023. As part of the agreement the remaining principal can be drawn by the Town as needed and repaid in accordance with the terms of the agreement. Payments of interest and principal are due semiannually with an interest rate of 1% per annum. The loan is to be paid from fees collected in the Water Fund for the domestic water treatment plant. As of December 31, 2024, the Town had drawn \$0 on the CWRPDA loan.

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**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**E. Long-term Liabilities (continued)**

**4. Annual Debt Service Requirements – Business-Type Activities**

Principal and interest payment requirements on the Town’s notes payable from business-type activities are as follows:

|                           | <b>Business-Type Activities</b> |                 |              |
|---------------------------|---------------------------------|-----------------|--------------|
|                           | <b>Principal</b>                | <b>Interest</b> | <b>Total</b> |
| 2025                      | \$ 30,352                       | \$ 5,650        | \$ 36,002    |
| 2026                      | 30,940                          | 5,063           | 36,003       |
| 2027                      | 23,725                          | 4,455           | 28,180       |
| 2028                      | 23,963                          | 4,217           | 28,180       |
| 2029                      | 24,203                          | 3,976           | 28,179       |
| 2030 - 2034               | 124,703                         | 16,194          | 140,897      |
| 2035 - 2039               | 131,080                         | 9,816           | 140,896      |
| 2040 - 2044               | 123,694                         | 3,113           | 126,807      |
| Subtotal                  | \$ 512,660                      | \$ 52,484       | \$ 565,144   |
| 2023 CWRPDA<br>DRWF Loan* | 300,000                         | -               | 300,000      |
|                           | \$ 812,660                      | \$ 52,484       | \$ 865,144   |

\*See note III.E.2 regarding 2023 CWRPDA loan forgiven in 2025.

**5. Changes in Long-Term Debt**

Long-term liability activity for the year ended December 31, 2024 was as follows:

|                                       | <b>Beginning<br/>Balance</b> | <b>Additions</b> | <b>Reductions</b> | <b>Ending<br/>Balance</b> | <b>Due Within<br/>One Year</b> |
|---------------------------------------|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| <b>Business-type Activities:</b>      |                              |                  |                   |                           |                                |
| Department of Local Affairs           | \$ 21,306                    | \$ -             | \$ (6,759)        | \$ 14,547                 | \$ 7,096                       |
| 2023 CWRPDA DWRF Loan                 | 219,163                      | 80,837           | -                 | 300,000                   | -                              |
| 2023 Water Revenue Loan               | -                            | 500,000          | (1,887)           | 498,113                   | 23,256                         |
| <b>Total Business-type Activities</b> | \$ 240,469                   | \$ 580,837       | \$ (8,646)        | \$ 812,660                | \$ 30,352                      |

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**III. Detailed Notes on All Funds (continued)**

**F. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**1. Fire and Police Pension Association of Colorado ("FPPA") Statewide Retirement Plan**

*Plan Description.* The Statewide Retirement Plan (the "Plan") is a cost-sharing multiple-employer defined benefit pension plan. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. The Plan current has 230 participating employer fire and police departments.

The Defined Benefit Component and Social Security Component cover substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978, provided that they are not already covered by a statutorily exempt plan. Employers once had the option to withdraw from the Plan, but a change in state statutes eliminated this option effective January 1, 1988, unless the employer elects and is determined to be eligible to participate in the Statewide Money Purchase Plan.

In 2003, legislation was enacted that allows departments who cover their firefighters and police officers in money purchase plans to elect coverage under the Plan. As of August 5, 2003, clerical and other personnel from fire districts whose services are auxiliary to fire protection may also participate in the Plan. As of January 1, 2020, Colorado police and sheriff departments who participate in Social Security have the option of affiliating for coverage under the Plan.

The plan assets are in the Fire & Police Members' Benefit Investment Fund Long-Term Pool and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan ("DROP") assets and Money Purchase Component assets). The Long-Term Pool is designed primarily for open plans with a longer time horizon, appropriate risk tolerance, and lower liquidity needs. The investment return assumption is 7 percent.

Members participating in DROP or in the Money Purchase Component choose among various investment options offered by an outside investment manager.

The Plan is administered by the Fire & Police Pension Association of Colorado. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>.

*Description of Benefits.* The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**III. Detailed Notes on All Funds (continued)**

**F. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. FPPA Statewide Retirement Plan (continued)**

*Description of Benefits (continued).*

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

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.

The annual retirement benefit for the Defined Benefit Component is 2.0 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 of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

The annual retirement benefit of the Hybrid Defined Benefit Component is 1.9 percent of the average of the member's highest three years' base salary for each year of credited service through December 31, 2022 and 1.5 percent of the average of the member's highest three years' base salary for each year of credited service after January 1, 2023.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, the vested account balance within the Money Purchase Component becomes available to the member.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**III. Detailed Notes on All Funds (continued)**

**F. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. FPPA Statewide Retirement Plan (continued)**

*Contributions.* Contribution rates for the Plan are set by state statute. The FPPA Board of Directors may further increase the required contributions, equally between employer and member, upon approval through an election of both employers and members.

Members of the Defined Benefit Component contribute 12.0 percent of base salary. In 2020, legislation was enacted to increase the employer contributions rate to the Plan beginning in 2021. Employer contribution rates will increase 0.5 percent annually through 2030 to a total of 13.0 percent of base salary. These increases result in a combined contribution rate of 25.0 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 21.5 percent.

Contributions from Defined Benefit Component members and employers of plans reentering the Defined Benefit Component are established by resolution and approved by the FPPA Board of Directors. The continuing rate of contribution for reentry groups is determined for each reentry group. The additional contribution amount is determined locally and may be paid by the member, the employer or split 50/50. Per the 2020 legislation, the required employer contribution rate for reentry departments also increases 0.5 percent annually. These increases result in a minimum combined contribution rate of 25.2 percent in 2030. In 2023, the total minimum required member and employer contribution rate was 21.7 percent.

Members of the Social Security Component contribute 6.0 percent of base salary. Per the 2020 legislation, employer contribution rates will increase 0.25 percent annually through 2030 to a total of 6.5 percent of base salary. These increases result in a combined contribution rate of 12.5 percent of base salary in 2030. In 2023, the total combined member and employer contribution rate was 10.75 percent.

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125 percent annually until they reach a minimum rate of 9 percent each and at least a combined rate of 18 percent in 2030. In 2023, the total minimum combined member and employer contribution rate was 16.25 percent.

The Hybrid Defined Benefit Component sets contribution rates at a level that enables the defined benefits to be fully funded at the member's retirement date. The amount allocated to the Hybrid Defined Benefit Component is set annually by the FPPA Board of Directors. The Hybrid Defined Benefit Component contribution rate from July 1, 2023 through June 30, 2024 is 14.24 percent. The Hybrid Defined Benefit Component contribution rate from January 1, 2023 through June 30, 2023 was 13.90 percent. Contributions in excess of those necessary to fund the defined benefit are allocated to the member's self-directed account in the Money Purchase Component.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**III. Detailed Notes on All Funds (continued)**

**F. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. FPPA Statewide Retirement Plan (continued)**

*Contributions (continued).*

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service and to be 100 percent vested after five years of service or the attainment of age 55. Employer and member contributions are invested in funds at the discretion of members.

A member of the Plan may elect to make voluntary after-tax contributions to the Money Purchase Component of the Plan. Additional voluntary contributions from the employer are made on a pre-tax basis.

*Net Pension Liability* At December 31, 2024, the Town reported \$0 for its proportionate share of the net pension liability. 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 January 1, 2024. The Town proportion of the net pension liability was based on Town contributions to the Plan for the calendar year 2023 relative to the total contributions of participating employers to the Plan

At December 31, 2024, the Town's proportion was 0.01898%, as compared to 0.01675% at December 31, 2023.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**F. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. FPPA Statewide Retirement Plan (continued)**

*Net Pension Liability (continued).*

For the year ended December 31, 2024, the Town recognized pension expense of \$855. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Difference between expected and actual experience                                | \$ 36,148                                     | \$ 1,736                                     |
| Net difference between projected and actual earnings on pension plan investments | 25,951  | -  |
| Changes in actuarial assumptions   | 20,967  | -  |
| Changes in proportionate share of contributions                                  | 45,483  | 37,956                                       |
| Difference between actual and reported contributions recognized                  | 16,364  | -  |
| Contributions subsequent to the measurement date                                 | 17,988  | -  |
|  | \$ 162,901                                    | \$ 39,692                                    |

Contributions subsequent to the measurement date of December 31, 2023, which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2024.

The following table presents the Plan's net amount of collected deferred inflows and outflows of resources that will be recognized in the collective pension expense for each of the subsequent five years and in the aggregate thereafter:

| <b>For the Fiscal Year Ended<br/>December 31,</b> | <b>Amounts<br/>Recognized in<br/>Pension<br/>Expense</b> |
|---|--|
| 2025  | \$ 17,581  |
| 2026  | 24,135   |
| 2027  | 33,476   |
| 2028  | 7,564  |
| 2029  | 8,104  |
| Thereafter  | 14,361   |
|   | \$ 105,221   |

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**III. Detailed Notes on All Funds (continued)**

**F. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. FPPA Statewide Retirement Plan (continued)**

*Actuarial Assumptions.* The actuarial valuations for the Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2024. The valuations used the following actuarial assumption and other inputs:

|  | <u>Total Pension Liability</u> | <u>Actuarially Determined Contributions</u> |
|--|--------------------------------|---|
| Actuarial Valuation Date                 | January 1, 2024                | January 1, 2023                             |
| Actuarial Method                         | Entry Age Normal               | Entry Age Normal                            |
| Amortization Method                      | N/A                            | Level % of Payroll, Open                    |
| Amortization Period                      | N/A                            | 30 Years                                    |
| Long-term investment Rate of Return, net | 7.0%                           | 7.0%  |
| Projected Salary Increases*              | 4.25% to 11.25%                | 4.25% to 11.25%                             |
| Cost of Living Adjustments               | 0%                             | 0%  |
| * Includes inflation at                  | 2.5%                           | 2.5%  |

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. 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 De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**III. Detailed Notes on All Funds (continued)**

**F. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. FPPA Statewide Retirement Plan (continued)**

*Actuarial assumptions (continue).*

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, 2024 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long Term Expected Rate of Return</u> |
|--------------------|--------------------------|--|
| Global Equity      | 35%                      | 8.33%                                    |
| Equity Long/Short  | 6%                       | 7.27%                                    |
| Private Markets    | 34%                      | 10.31%                                   |
| Fixed Income       | 10%                      | 5.35%                                    |
| Absolute Return    | 5%                       | 5.89%                                    |
| Managed Futures    | 9%                       | 6.39%                                    |
| Cash               | 1%                       | 4.32%                                    |
|                    | <u><b>100%</b></u>       |  |

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

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of Board's Benefits Policy which includes a variable COLA and supplemental payments. Consistent with Board's policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**III. Detailed Notes on All Funds (continued)**

**F. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**1. FPPA Statewide Retirement Plan (continued)**

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 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:

|  | <b>Single Discount</b> |                        |                     |
|--|------------------------|------------------------|---------------------|
|  | <b>1% Decrease</b>     | <b>Rate Assumption</b> | <b>1 % Increase</b> |
|  | <b>6.00%</b>           | <b>7.00%</b>           | <b>8.00%</b>        |
| Proportionate share of net pension liability (asset) | \$ 93,935              | \$ -                   | \$ -                |

*The net pension of liability of \$0 reflects a reserve for cost-of-living adjustments and to manage adverse experience of \$3,726 at a 7.00 percent discount rate and \$94,972 at a 8.00 percent discount rate.*

**2. FPPA Statewide Death and Disability Plan**

*Plan Description.* Police officers of the Town contribute to the Statewide Death and Disability Plan (“SWDD”). The SWDD is a cost-sharing multiple-employer defined benefit death and disability plan covering full-time employees of substantially all fire and police departments in Colorado. As of August 5, 2003, the Plan may include part-time police and fire employees. Contributions to the SWDD are used for payment of death and disability benefits. Employers who are covered by Social Security may elect supplementary coverage by the SWDD, which the Town has elected. The SWDD was established in 1980 pursuant to Colorado Revised Statutes and currently has 270 participating employer departments. Included in that number are 7 contributing employers as of December 31, 2023, who are covered by Social Security and have elected supplementary coverage by the SWDD.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**III. Detailed Notes on All Funds (continued)**

**F. Pension (Asset) Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

**2. FPPA Statewide Death and Disability Plan (continued)**

*Plan Description (continued).*

The SWDD assets are included in the Fire & Police Members' Benefit Investment Fund Long-Term Pool. The Long-Term Pool is designed primarily for open plans with a longer time horizon, higher risk tolerance, and lower liquidity needs. The investment return assumption is 7.0%.

SWDD benefits provide 24-hour coverage, both on- and off-duty and are available for members not eligible for normal retirement under a defined benefit plan, or members who have not met 25 years of accumulated service and age 55 under a money purchase plan.

In the case of an on-duty death, benefits may be payable to the surviving spouse or dependent children of active members who were eligible to retire, but were still working. Death and disability benefits are free from state and federal taxes in the event that a member's disability is determined to be the result of an on-duty injury or an occupational disease.

*Contributions.* Prior to 1997, the Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado statute. In 1997 the State made a one-time contribution of \$39,000,000 to fund past and future service costs for all firefighters and police officers hired prior to January 1, 1997. During 2022, C.R.S. 31-31-811 was amended to provide additional payments from the State to the Plan on July 1, 2022 and July 1, 2023 of \$6,650,000 each.

Members hired on or after January 1, 1997, began contributing 2.4 percent of base salary to the SWDD as of January 1, 1997. Effective January 1, 2023, the contribution rate increased to 3.4 percent of base salary and may be increased 0.2 percent annually by the FPPA Board. This percentage can vary depending on actuarial experience. All contributions are made by members or on behalf of members. The contribution may be paid entirely by the employer or member, or may be split between the employer and the member as determined at the local level.

*Benefits.* Benefits are established by Colorado Statute.

FPPA issues a publicly available annual comprehensive financial report which includes additional information on the Statewide Death and Disability Plan. That report can be obtained at <https://www.fppaco.org/annual-reports.html>.

**G. Fund Balances and Net Position**

The Town has classified governmental fund balances as follows:

Non-spendable – includes fund balance amounts inherently non-spendable since they represent inventories, prepaid items, etc.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**III. Detailed Notes on All Funds (continued)**

**G. Fund Balances and Net Position (continued)**

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.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, which is the Town Board of Trustees. Fiscal year spending excludes bonded debt service and enterprise spending.

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 Town Board of Trustees or its management designees. The Capital Projects Fund's entire balance was assigned for future capital projects and equipment acquisition.

Unassigned – includes residual positive fund balance within the General Fund, which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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

The Town does not have a formal minimum fund balance policy. However, the Town's budget includes a calculation of all targeted reserve positions and management calculates targets and reports them annually to the Town Board of Trustees.

In the government wide financial statements, net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of 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 or laws or regulations of other governments. All other net positions are reported as unrestricted.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**IV. Other Information**

**A. Retirement Plans**

The Town's full-time employees are required to participate in the Town's 401(a) retirement plan, created in accordance with Internal Revenue Code section 401. In this defined contribution plan, benefits depend solely on amounts contributed to the plan plus investments earnings.

Both employees and the Town contribute 5% of qualifying annual compensation for the plan year. In 2024, the Town contributed \$38,808 to the plan, while employees contributed \$57,996 to the plan.

The Town offers its employees a deferred compensation plan, created in accordance with Internal Revenue Code section 457. The plan, available to all Town employees, permits them to defer a portion of their salary until future years. All amounts of compensation deferred under the plan, all property rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held for the exclusive benefit of the participants or their beneficiaries. The Town has no ownership interest in the plan; nor is the Town liable for any losses under the plan.

**B. Commitments and Contingencies**

The Town has various grants received from grantor agencies with specific requirements that the Town must meet. Amounts received from grantor agencies are subject to audit by the grantor agencies. Any disallowed claims, including amounts already received, may constitute a liability of the applicable funds. Management does not expect the amount, if any, to be material to the financial statements taken as a whole.

Under the terms of state grants, costs may be questioned as not being appropriate expenses that could lead to reimbursement to the grantor agencies. Town management is not aware of any such expenses that would not be allowed. The Town is involved in various legal matters that are on-going at the time of the audit. The legal matters do not include damages and management does not anticipate any material financial impact.

**C. 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 is participant in the Colorado Intergovernmental Risk Sharing Agency ("CIRSA"). CIRSA operates as a common risk management and insurance program. As of December 31, 2024 there were more than 200 member municipalities including the Town, each having one vote. The Town pays an annual premium to CIRSA for its general insurance coverage and worker's compensation insurance coverage. The agreement for formation of CIRSA provides that CIRSA will be financed by member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. Due to CIRSA being a risk sharing pool, an unanticipated loss by one or more of the members of the pool could result in an unanticipated assessment against the Town and the loss of coverage.

The Town carries commercial insurance for employee health and accident insurance.

**Town of De Beque, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2024**  
**(Continued)**

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**IV. Other Information (continued)**

**D. Related Party Transactions**

The Mayor of the Town of De Beque owns the De Beque Country Store (the "Store"). During the year ended 2024, the Town made various purchases at the Store totaling \$22,209. In addition, the Town was granted funds in 2024 to assist local businesses in updating signs and other items. In 2024, The Town granted an additional \$11,170 to the Store to upgrade the metal awning and roof.

These purchases were made in accordance with the Town's purchasing policies.

**E. Restatement of Net Position**

The Water Fund's beginning net position was decreased by a total of \$219,163 to reflect the improper recognition of state grant revenue in 2023, which were considered loan proceeds under the note payable discussed in note III.E.2.

**F. Construction Commitments**

The Town have active construction projects ongoing at year-end.

At December 31, 2024, the Town's commitments with contractors are as follows:

| <b>Project</b>       | <b>Spent to<br/>Date</b> | <b>Remaining<br/>Commitment</b> |
|----------------------|--------------------------|---------------------------------|
| Sidewalk Improvement | \$ 468,844               | \$ 153,713                      |

**REQUIRED SUPPLEMENTARY INFORMATION**

**Town of De Beque, Colorado**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2024**  
**(With Comparative Actual Amounts for December 31, 2023)**

|  | <b>2024</b>                              |                  |  | <b>2023</b>      |
|--|--|------------------|--|------------------|
|  | <b>Original<br/>and Final<br/>Budget</b> | <b>Actual</b>    | <b>Final Budget<br/>Variance<br/>Positive<br/>(Negative)</b> | <b>Actual</b>    |
| <b>Revenues:</b>   |  |                  |  |                  |
| Taxes  | 1,974,642                                | 1,794,903        | (179,739)  | 2,028,868        |
| Intergovernmental  | 14,500                                   | 662,570          | 648,070  | 11,058           |
| Charges for services   | 198,040                                  | 180,328          | (17,712)   | 185,214          |
| Investment earnings  | 200,000                                  | 227,726          | 27,726   | 211,160          |
| Other revenues   | 28,325                                   | 7,838            | (20,487)   | 28,783           |
| <b>Total Revenues</b>  | <b>2,415,507</b>                         | <b>2,873,365</b> | <b>457,858</b>   | <b>2,465,083</b> |
| <b>Expenditures:</b>   |  |                  |  |                  |
| General government   | 874,542                                  | 871,497          | 3,045  | 797,020          |
| Municipal court  | 30,650                                   | 20,228           | 10,422   | 29,144           |
| Public safety  | 990,885                                  | 876,351          | 114,534  | 809,021          |
| Public works   | 284,458                                  | 263,668          | 20,790   | 183,823          |
| Culture and recreation                                       | 84,615                                   | 69,577           | 15,038   | 74,787           |
| Cemetery   | 1,400                                    | 343              | 1,057  | 625              |
| Community center   | 1,500                                    | 4,363            | (2,863)  | 1,391            |
| Sanitation   | 65,000                                   | 42,784           | 22,216   | 48,976           |
| Capital outlay   | 490,449                                  | 932,675          | (442,226)  | 167,865          |
| <b>Total Expenditures</b>                                    | <b>2,823,499</b>                         | <b>3,081,486</b> | <b>(257,987)</b>   | <b>2,112,652</b> |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> | <b>(407,992)</b>                         | <b>(208,121)</b> | <b>199,871</b>   | <b>352,431</b>   |
| <b>Other Financing Sources (Uses):</b>                       |  |                  |  |                  |
| Transfers in (out)   | (47,233)                                 | (31,896)         | 15,337   | (47,340)         |
| Sale of assets   | 145,000                                  | -                | (145,000)  | 30,000           |
| <b>Total Other Financing Sources (Uses):</b>                 | <b>97,767</b>                            | <b>(31,896)</b>  | <b>(129,663)</b>   | <b>(17,340)</b>  |
| <b>Net Change in Fund Balance</b>                            | <b>(310,225)</b>                         | <b>(240,017)</b> | <b>70,208</b>  | <b>335,091</b>   |
| <b>Fund Balance - Beginning</b>                              | <b>3,546,495</b>                         | <b>4,312,047</b> | <b>765,552</b>   | <b>3,976,956</b> |
| <b>Fund Balance - Ending</b>                                 | <b>3,236,270</b>                         | <b>4,072,030</b> | <b>835,760</b>   | <b>4,312,047</b> |

**Town of De Beque, Colorado**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual**  
**Special Revenue Fund - Conservation Trust Fund**  
**For the Year Ended December 31, 2024**  
**(With Comparative Actual Amounts for December 31, 2023)**

|                                   | <b>2024</b>                              |               | <b>Final Budget<br/>Variance<br/>Positive<br/>(Negative)</b> | <b>2023</b>   |
|-----------------------------------|--|---------------|--|---------------|
|                                   | <b>Original<br/>and Final<br/>Budget</b> | <b>Actual</b> |  | <b>Actual</b> |
| <b>Revenues:</b>                  |  |               |  |               |
| Intergovernmental - State lottery | 7,000                                    | 6,045         | (955)  | 6,876         |
| Investment income                 | -  | 4,935         | 4,935  | 3,890         |
| <b>Total Revenues</b>             | <b>7,000</b>                             | <b>10,980</b> | <b>3,980</b>   | <b>10,766</b> |
| <b>Expenditures:</b>              |  |               |  |               |
| Culture and recreation            | -  | -             | -  | -             |
| <b>Total Expenditures</b>         | <b>-</b>                                 | <b>-</b>      | <b>-</b>   | <b>-</b>      |
| <b>Net Change in Fund Balance</b> | <b>7,000</b>                             | <b>10,980</b> | <b>3,980</b>   | <b>10,766</b> |
| <b>Fund Balance - Beginning</b>   | <b>83,865</b>                            | <b>88,531</b> | <b>4,666</b>   | <b>77,765</b> |
| <b>Fund Balance - Ending</b>      | <b>90,865</b>                            | <b>99,511</b> | <b>8,646</b>   | <b>88,531</b> |

**Town of De Beque, Colorado**  
**Schedule of the Town's Proportionate Share of Net Pension Liability (Asset)**  
**Fire and Police Pension Association of Colorado - Statewide Retirement Plan**  
**Last 10 Fiscal Years**

| <b><u>For the measurement year ending December 31,</u></b>   | <b><u>2023</u></b> | <b><u>2022</u></b> | <b><u>2021</u></b> | <b><u>2020</u></b> | <b><u>2019</u></b> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Town's portion of the net pension liability (asset)  | 0.01898%           | 0.01675%           | 0.02043%           | 0.01639%           | 0.01513%           |
| Town's proportionate share of the net pension liability (asset)  | -                  | 14,869             | (110,712)          | (35,574)           | (8,558)            |
| Town's covered payroll   | 283,440            | 218,617            | 243,113            | 191,436            | 169,962            |
| Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 0%                 | 7%                 | -46%               | -19%               | -5%                |
| Plan fiduciary net position as a percentage of the total pension asset                                 | 100.00%            | 97.60%             | 116.20%            | 106.70%            | 101.90%            |
| <b><u>For the measurement year ending December 31,</u></b>   | <b><u>2018</u></b> | <b><u>2017</u></b> | <b><u>2016</u></b> | <b><u>2015</u></b> | <b><u>2014</u></b> |
| Town's portion of the net pension liability (asset)  | 0.01831%           | 0.01962%           | 0.02124%           | 0.01309%           | 0.01643%           |
| Town's proportionate share of the net pension liability (asset)  | 23,151             | (28,219)           | 7,675              | (231)              | (18,542)           |
| Town's covered payroll   | 196,260            | 193,242            | 193,222            | 119,459            | 147,775            |
| Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 12%                | -15%               | 4%                 | 0%                 | 10%                |
| Plan fiduciary net position as a percentage of the total pension asset                                 | 95.20%             | 106.34%            | 98.21%             | 100.10%            | 106.80%            |

See accompanying notes to RSI.

**Town of De Beque, Colorado**  
**Schedule of Town Contributions**  
**Fire and Police Pension Association of Colorado - Statewide Retirement Plan**  
**Last 10 Fiscal Years**

| <u>For the fiscal year ending December 31,</u>                       | <u>2024</u>     | <u>2023</u>     | <u>2022</u>     | <u>2021</u>     | <u>2020</u>    |
|--|-----------------|-----------------|-----------------|-----------------|----------------|
| Contractually required contribution                                  | 17,715          | 13,117          | 13,979          | 10,529          | 8,923          |
| Contributions in relation to the contractually required contribution | <u>(17,715)</u> | <u>(13,117)</u> | <u>(13,979)</u> | <u>(10,529)</u> | <u>(8,923)</u> |
| Contribution deficiency (excess)                                     | <u>-</u>        | <u>-</u>        | <u>-</u>        | <u>-</u>        | <u>-</u>       |
| Town's covered payroll   | 283,440         | 218,617         | 243,113         | 191,436         | 169,962        |
| Contributions as a percentage of covered payroll                     | 6.25%           | 6.00%           | 5.75%           | 5.50%           | 5.25%          |
| <br>   |                 |                 |                 |                 |                |
| <u>For the fiscal year ending December 31,</u>                       | <u>2019</u>     | <u>2018</u>     | <u>2017</u>     | <u>2016</u>     | <u>2015</u>    |
| Contractually required contribution                                  | 9,813           | 9,179           | 8,695           | 5,077           | 5,911          |
| Contributions in relation to the contractually required contribution | <u>(9,813)</u>  | <u>(9,179)</u>  | <u>(8,695)</u>  | <u>(5,077)</u>  | <u>(5,911)</u> |
| Contribution deficiency (excess)                                     | <u>-</u>        | <u>-</u>        | <u>-</u>        | <u>-</u>        | <u>-</u>       |
| Town's covered payroll   | 196,260         | 193,242         | 193,222         | 119,459         | 147,775        |
| Contributions as a percentage of covered payroll                     | 5.00%           | 4.75%           | 4.50%           | 4.25%           | 4.00%          |

See accompanying notes to RSI.

**Town of De Beque**  
**Notes to the Required Supplementary Information**  
**December 31, 2024**

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**I. Schedule of Town's Proportionate Share of the Net Pension Liability (Asset)**

**A. Changes to Assumptions or Other Inputs**

- 1. Changes since the January 1, 2022 Actuarial Valuation (effective January 1, 2023):**
  - Increasing the step-rate increase portion of the salary scale by 0.50% per year for the first 4 years of a member's career and 0.25% for years 5 through 14;
  - Reducing the overall payroll growth assumption from 3.50% to 3.0%;
  - Updating the base assumptions for mortality to the Pub-2010 tables for Public Safety and updating the table used to build in generational improvements in mortality for the future to the ultimate rates of the MP table 2020 for all years; and,
  - For the Statewide Death & Disability Plan increase the total disability rates by 50% for members covered by a money purchase pension plan.
  
- 2. Changes since the January 1, 2021 Actuarial Valuation (effective January 1, 2022):**
  - For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 60% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.
  - For determining the actuarially determined contributions, the post- retirement mortality tables for non-disabled retirees uses the 2006 central rate from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.
  
- 3. Changes since the January 1, 2020 Actuarial Valuation (effective January 1, 2021):**
  - No changes.
  
- 4. Changes since the January 1, 2019 Actuarial Valuation (effective January 1, 2020):**
  - No changes
  
- 5. Changes since the January 1, 2018 Actuarial Valuation (effective January 1, 2019):**
  - No changes.

**Town of De Beque**  
**Notes to the Required Supplementary Information**  
**December 31, 2024**  
**(Continued)**

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**I. Schedule of Town's Proportionate Share of the Net Pension Liability (Asset) (continued)**

**A. Changes to Assumptions or Other Inputs (continued)**

**6. Changes since the January 1, 2017 Actuarial Valuation (effective January 1, 2018):**

- For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate from the RP-2014 annuitant mortality tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.
- For determining the actuarial determined contributions, the post-retirement mortality tables for non-disabled retirees is a blend of the Annuitant and Employee RP-2014 generational mortality tables with blue collar adjustment projected with Scale BB. The pre-retirement off-duty mortality tables are adjusted to 55% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00020.

**7. Changes since the January 1, 2016 Actuarial Valuation (effective January 1, 2017):**

- No changes

**8. Changes since the January 1, 2015 Actuarial Valuation (effective January 1, 2016):**

- No changes

**9. Changes since the January 1, 2014 Actuarial Valuation (effective January 1, 2015):**

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

**Town of De Beque**  
**Notes to the Required Supplementary Information**  
**December 31, 2024**  
**(Continued)**

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**I. Schedule of Town's Proportionate Share of the Net Pension Liability (Asset) (continued)**

**A. Changes to Assumptions or Other Inputs (continued)**

**10. Changes since the January 1, 2013 Actuarial Valuation (effective January 1, 2014):**

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

**B. Changes of benefit terms**

No changes during the years presented above.

**C. Changes of size or composition of population covered by benefit terms**

No changes during the years presented above.

**II. Schedule of Town Contributions**

**A. Changes to assumptions or other inputs**

No changes during the years presented above.

**B. Changes of benefit terms.**

No changes during the years presented above.

**C. Changes of size or composition of population covered by benefit terms.**

No changes during the years presented above.

**SUPPLEMENTARY INFORMATION**

**Town of De Beque, Colorado**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (GAAP Basis) And Actual**  
**Capital Projects Fund - Capital Improvement Fund**  
**For the Year Ended December 31, 2024**  
**(With Comparative Actual Amounts for December 31, 2023)**

|                                   | 2024                            |           | Final Budget<br>Variance<br>Positive<br>(Negative) | 2023    |
|-----------------------------------|---------------------------------|-----------|--|---------|
|                                   | Original<br>and Final<br>Budget | Actual    |  | Actual  |
| <b>Revenues:</b>                  |                                 |           |  |         |
| Earnings on investments           | -                               | -         | -  | -       |
| <b>Total Revenues</b>             | -                               | -         | -  | -       |
| <b>Expenditures:</b>              |                                 |           |  |         |
| Capital outlay                    | 120,051                         | 120,051   | -  |         |
| <b>Total Expenditures</b>         | 120,051                         | 120,051   | -  | -       |
| <b>Net change in Fund Balance</b> | (120,051)                       | (120,051) | -  | -       |
| <b>Fund Balance - Beginning</b>   | 120,051                         | 120,051   | -  | 120,051 |
| <b>Fund Balance - Ending</b>      | -                               | -         | -  | 120,051 |

**Town of De Beque, Colorado**  
**Schedule of Revenues, Expenses, and Changes in Net Position**  
**Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis**  
**Enterprise Fund - Water Fund**  
**For the Year Ended December 31, 2024**  
**(With Comparative Actual Amounts for December 31, 2023)**

|   | <b>2024</b>                              |                         | <b>2023</b><br><b>(restated)</b>                             |                         |
|---|--|-------------------------|--|-------------------------|
|   | <b>Original<br/>and Final<br/>Budget</b> | <b>Actual</b>           | <b>Final Budget<br/>Variance<br/>Positive<br/>(Negative)</b> | <b>Actual</b>           |
| <b>Operating Revenues:</b>                              |  |                         |  |                         |
| User charges  | 275,000                                  | 308,057                 | 33,057   | 303,379                 |
| Miscellaneous   | 4,500                                    | 6,877                   | 2,377  | 6,585                   |
| <b>Total Operating Revenues</b>                         | <u>279,500</u>                           | <u>314,934</u>          | <u>35,434</u>  | <u>309,964</u>          |
| <b>Operating Expenses:</b>                              |  |                         |  |                         |
| Operating expenses                                      | 296,525                                  | 307,941                 | (11,416)   | 274,876                 |
| Capital outlay  | 3,191,013                                | 445,275                 | 2,745,738  | 251,206                 |
| <b>Total Operating Expenses</b>                         | <u>3,487,538</u>                         | <u>753,216</u>          | <u>2,734,322</u>   | <u>526,082</u>          |
| <b>Non-operating Revenues (Expenses):</b>               |  |                         |  |                         |
| Capital grants and contributions                        | 3,191,013                                | 279,592                 | (2,911,421)  | -                       |
| CWRPDA loan principal forgiveness                       | -  | -                       | -  | 2,000,000               |
| Interest expense  | (1,065)                                  | (1,482)                 | (417)  | (1,387)                 |
| Principal payment                                       | (6,758)                                  | (8,645)                 | (1,887)  | (2,006,436)             |
| <b>Total Non-operating Revenues (Expenses)</b>          | <u>3,183,190</u>                         | <u>269,465</u>          | <u>(2,913,725)</u>   | <u>(7,823)</u>          |
| <b>Income (Loss) before Contributions and Transfers</b> | <u>(24,848)</u>                          | <u>(168,817)</u>        | <u>(143,969)</u>   | <u>(223,941)</u>        |
| Tap fees  | 6,000                                    | 65,280                  | 59,280   | 135                     |
| Transfers in (out)                                      | 18,848                                   | 27,993                  | 9,145  | 27,300                  |
| <b>Change in Net Position - Budget Basis</b>            | <u><u>-</u></u>                          | <u><u>(75,544)</u></u>  | <u><u>(75,544)</u></u>                                       | <u><u>(196,506)</u></u> |
| <b>Reconciliation to GAAP Basis:</b>                    |  |                         |  |                         |
| Capitalized assets                                      |  | 443,073                 |  | 251,206                 |
| Change in accrued interest                              |  | (708)                   |  | 107                     |
| Note payable principal repayment                        |  | 8,645                   |  | 2,006,436               |
| CWRPDA loan principal forgiveness                       |  | -                       |  | (2,000,000)             |
| Depreciation expense                                    |  | (81,834)                |  | (81,742)                |
| <b>Total Adjustments</b>                                |  | <u>369,176</u>          |  | <u>176,007</u>          |
| <b>Change in Net Position - GAAP basis</b>              |  | <u><u>293,632</u></u>   |  | <u><u>(20,499)</u></u>  |
| <b>Net Position - Beginning of Year (restated)</b>      |  | <u>1,743,528</u>        |  | <u>1,764,027</u>        |
| <b>Net Position - End of Year</b>                       |  | <u><u>2,037,160</u></u> |  | <u><u>1,743,528</u></u> |

**Town of De Beque, Colorado**  
**Schedule of Revenues, Expenses, and Changes in Net Position**  
**Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis**  
**Enterprise Fund - Sewer Fund**  
**For the Year Ended December 31, 2024**  
**(With Comparative Actual Amounts for December 31, 2023)**

|   | <b>2024</b>                              |                  | <b>Final Budget<br/>Variance<br/>Positive<br/>(Negative)</b> | <b>2023</b>      |
|---|--|------------------|--|------------------|
|   | <b>Original<br/>and Final<br/>Budget</b> | <b>Actual</b>    |  | <b>Actual</b>    |
| <b>Operating Revenues:</b>                              |  |                  |  |                  |
| Charges for services                                    | 215,000                                  | 214,018          | (982)  | 218,432          |
| Operating grants and contributions                      | -  | -                | -  | 17,573           |
| Miscellaneous   | -  | 161              | 161  | 300              |
| <b>Total Operating Revenues</b>                         | <b>215,000</b>                           | <b>214,179</b>   | <b>(821)</b>   | <b>236,305</b>   |
| <b>Operating Expenses:</b>                              |  |                  |  |                  |
| Operating expenses                                      | 255,385                                  | 260,223          | (4,838)  | 208,631          |
| Capital outlay  | 1,293,500                                | 83,464           | 1,210,036  | 751,025          |
| <b>Total Operating Expenses</b>                         | <b>1,548,885</b>                         | <b>343,687</b>   | <b>1,205,198</b>   | <b>959,656</b>   |
| <b>Operating Income (Loss) - Budget Basis</b>           | <b>(1,333,885)</b>                       | <b>(129,508)</b> | <b>1,204,377</b>   | <b>(723,351)</b> |
| <b>Non-operating Revenues (Expenses):</b>               |  |                  |  |                  |
| Capital grants and contributions                        | 1,293,500                                | 78,805           | (1,214,695)  | 759,027          |
| <b>Total Non-operating Revenues (Expenses)</b>          | <b>1,293,500</b>                         | <b>78,805</b>    | <b>(1,214,695)</b>   | <b>759,027</b>   |
| <b>Income (Loss) before Contributions and Transfers</b> | <b>(40,385)</b>                          | <b>(50,703)</b>  | <b>(10,318)</b>  | <b>35,676</b>    |
| Tap fees  | 12,000                                   | 46,800           | 34,800   | 6,000            |
| Transfers in (out)                                      | 28,385                                   | 3,903            | (24,482)   | 20,040           |
| <b>Change in Net Position - Budget Basis</b>            | <b>-</b>                                 | <b>-</b>         | <b>-</b>   | <b>61,716</b>    |
| <b>Reconciliation to GAAP Basis:</b>                    |  |                  |  |                  |
| Capitalized assets                                      |  | 83,464           |  | 742,566          |
| Depreciation expense                                    |  | (32,066)         |  | (27,720)         |
| <b>Total Adjustments</b>                                |  | <b>51,398</b>    |  | <b>714,846</b>   |
| <b>Change in Net Position - GAAP basis</b>              |  | <b>51,398</b>    |  | <b>776,562</b>   |
| <b>Net Position - Beginning of Year</b>                 |  | <b>1,773,367</b> |  | <b>996,805</b>   |
| <b>Net Position - End of Year</b>                       |  | <b>1,824,765</b> |  | <b>1,773,367</b> |

**Town of De Beque, Colorado**  
**Schedule of Revenues, Expenses, and Changes in Net Position**  
**Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis**  
**Enterprise Fund - Irrigation Fund**  
**For the Year Ended December 31, 2024**  
**(With Comparative Actual Amounts for December 31, 2023)**

|   | <u>2024</u>                |                         |                 | <b>Final Budget<br/>Variance<br/>Positive<br/>(Negative)</b> | <u>2023</u>     |
|---|----------------------------|-------------------------|-----------------|--|-----------------|
|   | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>   |  | <b>Actual</b>   |
| <b>Operating Revenues:</b>                              |                            |                         |                 |  |                 |
| Charges for services                                    | 19,250                     | 19,250                  | 19,164          | (86)   | 19,164          |
| <b>Total Operating Revenues</b>                         | <u>19,250</u>              | <u>19,250</u>           | <u>19,164</u>   | <u>(86)</u>  | <u>19,164</u>   |
| <b>Operating Expenses:</b>                              |                            |                         |                 |  |                 |
| Operating expenses                                      | 8,500                      | 18,500                  | 21,597          | (3,097)  | 8,825           |
| <b>Total Operating Expenses</b>                         | <u>8,500</u>               | <u>18,500</u>           | <u>21,597</u>   | <u>(3,097)</u>   | <u>8,825</u>    |
| <b>Income (Loss) before Contributions and Transfers</b> | 10,750                     | 750                     | (2,433)         | (3,183)  | 10,339          |
| Tap fees  | 450                        | 450                     | 450             | -  | -               |
| <b>Change in Net Position - Budget Basis</b>            | <u>11,200</u>              | <u>1,200</u>            | (1,983)         | <u>(3,183)</u>   | 10,339          |
| <b>Reconciliation to GAAP Basis:</b>                    |                            |                         |                 |  |                 |
| Depreciation expense                                    |                            |                         | (10,360)        |  | (10,360)        |
| <b>Total Adjustments</b>                                |                            |                         | <u>(10,360)</u> |  | <u>(10,360)</u> |
| <b>Change in Net Position - GAAP basis</b>              |                            |                         | (12,343)        |  | (21)            |
| <b>Net Position - Beginning of Year</b>                 |                            |                         | <u>382,032</u>  |  | <u>382,053</u>  |
| <b>Net Position - End of Year</b>                       |                            |                         | <u>369,689</u>  |  | <u>382,032</u>  |

|                                     |  |
|-------------------------------------|--|
| <b>LOCAL HIGHWAY FINANCE REPORT</b> | STATE:<br><b>COLORADO</b>              |
|                                     | YEAR ENDING (mm/yy):<br><b>12/2024</b> |

|  |  |
|--|--|
| This Information From The Records Of:<br><b>Town of De Beque</b> | Prepared By:<br><b>Katherine Boozell</b> |
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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. EXPENDITURES FOR ROAD AND STREET PURPOSES**

| ITEM  | AMOUNT        | ITEM   | AMOUNT        |
|---|---------------|--|---------------|
| <b>A. Receipts from local sources:</b>                      |               | <b>A. Local highway expenditures:</b>            |               |
| 1. Local highway-user taxes                                 |               | 1. Capital outlay (from page 2)                  | \$ -          |
| a. Motor Fuel (from Item I.A.5.)                            |               | 2. Maintenance:                                  | \$ 31,378.25  |
| 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                              | \$ 83,131.75  | b. Snow and ice removal                          |               |
| 3. Other local imposts (from page 2)                        | \$ 12,237.64  | c. Other   |               |
| 4. Miscellaneous local receipts (from page 2)               | \$ -          | d. Total (a. through c.)                         | \$ -          |
| 5. Transfers from toll facilities                           |               | 4. General administration & miscellaneous        | \$ 91,850.00  |
| 6. Proceeds of sale of bonds and notes:                     |               | 5. Highway law enforcement and safety            |               |
| a. Bonds - Original Issues                                  |               | 6. Total (1 through 5)                           | \$ 123,228.25 |
| b. Bonds - Refunding Issues                                 |               | <b>B. Debt service on local obligations:</b>     |               |
| c. Notes  |               | 1. Bonds:  |               |
| d. Total (a. + b. + c.)                                     | \$ -          | a. Interest                                      |               |
| 7. Total (1 through 6)                                      | \$ 95,369.39  | b. Redemption                                    |               |
| <b>B. Private Contributions</b>                             |               | c. Total (a. + b.)                               | \$ -          |
| <b>C. Receipts from State government</b><br>(from page 2)   | \$ 27,858.86  | 2. Notes:  |               |
| <b>D. Receipts from Federal Government</b><br>(from page 2) | \$ -          | a. Interest                                      |               |
| <b>E. Total receipts (A.7 + B + C + D)</b>                  | \$ 123,228.25 | b. Redemption                                    |               |
|   |               | c. Total (a. + b.)                               | \$ -          |
|   |               | 3. Total (1.c + 2.c)                             | \$ -          |
|   |               | <b>C. Payments to State for highways</b>         |               |
|   |               | <b>D. Payments to toll facilities</b>            |               |
|   |               | <b>E. Total expenditures (A.6 + B.3 + C + D)</b> | \$ 123,228.25 |

**IV. LOCAL HIGHWAY DEBT STATUS**

*(Show all entries at par)*

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

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

|  | A. Beginning Balance | B. Total Receipts | C. Total Disbursements | D. Ending Balance | E. Reconciliation |
|--|----------------------|-------------------|------------------------|-------------------|-------------------|
|  | \$ -                 | \$ 123,228.25     | \$ 123,228.25          |                   | \$ -              |

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:  
**COLORADO**  
 YEAR ENDING (mm/yy):  
**12/2024**

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

| ITEM                              | AMOUNT       | ITEM                                      | AMOUNT |
|-----------------------------------|--------------|---|--------|
| <b>A.3. Other local imposts:</b>  |              | <b>A.4. Miscellaneous local receipts:</b> |        |
| a. Property Taxes and Assessments |              | a. Interest on investments                |        |
| b. Other local imposts:           |              | b. Traffic Fines & Penalties              |        |
| 1. Sales Taxes                    |              | c. Parking Garage Fees                    |        |
| 2. Infrastructure & Impact Fees   |              | d. Parking Meter Fees                     |        |
| 3. Liens                          |              | e. Sale of Surplus Property               |        |
| 4. Licenses                       |              | f. Charges for Services                   |        |
| 5. Specific Ownership &/or Other  | \$ 12,237.64 | g. Other Misc. Receipts                   |        |
| 6. Total (1. through 5.)          | \$ 12,237.64 | h. Other                                  |        |
| c. Total (a. + b.)                | \$ 12,237.64 | i. Total (a. through h.)                  | \$ -   |
| <i>(Carry forward to page 1)</i>  |              | <i>(Carry forward to page 1)</i>          |        |

| ITEM                                     | AMOUNT       | ITEM                                       | AMOUNT |
|--|--------------|--|--------|
| <b>C. Receipts from State Government</b> |              | <b>D. Receipts from Federal Government</b> |        |
| 1. Highway-user taxes (from Item I.C.5.) | \$ 25,469.62 | 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           | \$ 2,389.24  | d. Federal Transit Administration          |        |
| d. DOLA Grant                            |              | e. U.S. Corps of Engineers                 |        |
| e. Other                                 |              | f. Other Federal ARPA                      |        |
| f. Total (a. through e.)                 | \$ 2,389.24  | g. Total (a. through f.)                   | \$ -   |
| 4. Total (1. + 2. + 3.f)                 | \$ 27,858.86 | 3. Total (1. + 2.g)                        | \$ -   |
| <i>(Carry forward to page 1)</i>         |              | <i>(Carry forward to page 1)</i>           |        |

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: