

Town of Fairplay, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2024



Town of Fairplay, Colorado

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December 31, 2024

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Independent Auditor's Report

Honorable Mayor and Members of the Board of Trustees
Town of Fairplay, Colorado
Fairplay, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Fairplay, 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's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Office Locations:
Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Frisco Office:
301 West Main Street
Suite 207
Frisco, Colorado
80443
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAAS and GAS, we:

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

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



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the Supplementary Information and the local highway finance report, as listed in the table of contents. The other information comprises the Supplementary Information and the local highway finance report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any other form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Hick & Company, PC

Englewood, Colorado
August 18, 2025



The discussion and analysis of the Town of Fairplay, Colorado's financial performance is an overall review of the Town's financial activities for the year ended December 31, 2024. The intent of this discussion and analysis is to look at the Town's financial performance overall. Readers should also review the financial statements and the notes to the financial statements to obtain a broadened understanding of the Town's financial performance.

Financial Highlights

The Town of Fairplay, Colorado's Governmental Net Position increased by \$228,796 and Business-type Net Position increased by \$495,676 for the year.

- The assets of the Town exceeded its liabilities at the close of the fiscal year 2024 by \$14,011,510. Of this amount, \$5,028,524 (*Unrestricted Net Position*) may be used to meet the Town's ongoing obligations or unforeseen expenses.
- At the end of 2024 Unrestricted Net Position for the Proprietary Funds (business-type activities) was \$1,559,007.
- At the close of the fiscal year 2024, the Town's General Fund reported an ending fund balance of \$3,438,810 compared to the fiscal year 2023 balance of \$3,989,003.
- General Fund 2024 revenues increased by \$388,347 to \$3,433,594.
- General Fund 2024 expenditures increased by \$1,826,255 to \$3,983,787.

Using the Basic Financial Statements

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

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

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

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

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

Financial Analysis of the Town as a Whole

The Town's Total Net Position was \$13,856,559 as of December 31, 2024, compared to \$13,132,087 as of December 31, 2023. This represents an increase of \$724,472.

Government-Wide Financial Statements

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

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

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

Town of Fairplay
Management Discussion and Analysis
December 31, 2024

Net Position

Net position might serve over time as a useful indicator of a government's financial position. In the case of the Town of Fairplay, Colorado, assets exceeded liabilities by approximately \$14 million at the close of 2024.

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

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	\$ 3,234,124	\$ 1,271,142	\$ 4,505,266
Restricted Cash and Investments	32,397	362,927	395,324
Accounts Receivable	465,924	138,761	604,685
Property Taxes Receivable	314,758	-	314,758
Prepaid Expenses	26,659	47,645	74,304
Capital Assets, Not Being Depreciated	905,895	138,113	1,044,008
Capital Assets, Net of Accumulated Depreciation	2,968,737	6,867,228	9,835,965
Total Assets	7,948,494	8,825,816	16,774,310
Deferred Outflows of Resources			
Pension-Related Deferred Outflows	190,887	-	190,887
Total Deferred Inflows of Resources	190,887	-	190,887
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	53,227	25,765	78,992
Accrued Liabilities	11,241	-	11,241
Accrued Salary and Wages	50,850	3,266	54,116
Accrued Interest Payable	-	3,797	3,797
Unearned Revenue	22,053	-	22,053
Deposits	3,300	-	3,300
Total Current Liabilities	140,671	32,828	173,499
<i>Non-Current Liabilities</i>			
Due Within One Year	59,666	254,412	314,078
Due In More Than One Year	100,678	2,096,394	2,197,072
Total Non-Current Liabilities	160,344	2,350,806	2,511,150
Total Liabilities	301,015	2,383,634	2,684,649
Deferred Inflows of Resources			
Deferred Property Taxes	314,758	-	314,758
Grants	54,276	-	54,276
Pensions, Net of Accumulated Amortization	31,080	-	31,080
Other	23,875	-	23,875
Total Deferred Inflows of Resources	423,989	-	423,989
Net Position			
Net Investment in Capital Assets	3,798,703	4,661,955	8,460,658
Restricted for:			
Emergencies	112,661	-	112,661
Debt Service Reserve	-	221,220	221,220
Conservation Trust	33,496	-	33,496
Unrestricted	3,469,517	1,559,007	5,028,524
Total Net Position	\$ 7,414,377	\$ 6,442,182	\$ 13,856,559

The Statement of Net Position reflects a cash position totaling \$4,900,590. The bulk of the Town's resources, \$10,879,973 are invested in Capital Assets. These assets consist of land and improvements, buildings, equipment, and utility system assets. The remaining total assets are receivables.

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

Changes in Net Position

Governmental activities increased the Town of Fairplay, Colorado's net position by \$228,796.

Business activities increased the Town's net position by \$495,676.

Town of Fairplay
Management Discussion and Analysis
December 31, 2024

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 1,313,638	\$ 408,910	\$ 21,882	\$ -	\$ (882,846)	\$ -	\$ (882,846)
Public Safety	1,121,995	27,549	6,520	-	(1,087,926)	-	(1,087,926)
Public Works	616,805	42,894	248,830	-	(325,081)	-	(325,081)
Culture and Recreation	264,831	35,997	12,068	-	(216,766)	-	(216,766)
Interest Expense	1,687	-	-	-	(1,687)	-	(1,687)
Total Governmental Activities	3,318,956	515,350	289,300	-	(2,514,306)	-	(2,514,306)
Business-Type Activities							
Water and Sewer	1,113,486	1,108,466	186,385	238,065	-	419,430	419,430
Total Business-Type Activities	1,113,486	1,108,466	186,385	238,065	-	419,430	419,430
Total Primary Government	\$ 4,432,442	\$ 1,623,816	\$ 475,685	\$ 238,065	(2,514,306)	419,430	(2,094,876)
General Revenues							
Property Taxes					334,859	-	334,859
Specific Ownership Taxes					28,384	-	28,384
Sales and Use Taxes					2,052,681	-	2,052,681
Franchise Taxes					89,833	-	89,833
Other Taxes					48,581	-	48,581
Intergovernmental Revenues Not Restricted to Specific Programs					4,484	-	4,484
Investment Income					165,423	76,246	241,669
Miscellaneous Income					18,857	-	18,857
Total General Revenues					2,743,102	76,246	2,819,348
Change in Net Position					228,796	495,676	724,472
Net Position, Beginning of Year					7,185,581	5,946,506	13,132,087
Net Position, End of Year					\$ 7,414,377	\$ 6,442,182	\$ 13,856,559

Financial Analysis of the Town's Funds

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

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

General Fund – The General Fund went from a balance of \$3,989,003 to \$3,438,810. This increase is principally the result of governmental activity operating revenue sources exceeding operating costs. Total revenues increased by \$388,347. Expenditures increased by \$1,826,255.

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

Utility Fund – Utility Fund net position increased by \$495,676.

Internal Service Fund – The Internal Service Fund was created in 2015 and is used for the purchase of vehicles and equipment used by the Town. The ending Net Position is \$646,838.

Capital Assets

Approximately 36% of the Town's Capital Assets support governmental activities. Most of the value is comprised of land, buildings, and other improvements.

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

Long-Term Debt

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

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

General Fund Budget

The General Fund accounts for all the general government services provided by the Town of Fairplay, Colorado including Public Safety (Police), Public Works, Parks and Recreation, and other General Government services. The Town's General Fund revenues were more than budgeted by \$293,694. The Town's expenditures were \$122,071 less than budgeted.

Economic Factors and Future Budgets and Rates

During the 2024 budgeting process, the factors considered for increased revenue were a prediction of increased sales tax revenue from large special events that were planned for the year, specifically the Fairplay Independence Day and 75th Annual Burro Days celebrations. Additionally, new businesses opening and a consistent overall increase of sales tax revenue from already existing businesses were considered. Expenditures were budgeted as per past practice and based on planned capital projects and the overall general operations of the town.

Request for Information

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

Basic Financial Statements

Town of Fairplay, Colorado
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	\$ 3,234,124	\$ 1,271,142	\$ 4,505,266
Restricted Cash and Investments	32,397	362,927	395,324
Accounts Receivable	465,924	138,761	604,685
Property Taxes Receivable	314,758	-	314,758
Prepaid Expenses	26,659	47,645	74,304
Capital Assets, Not Being Depreciated	905,895	138,113	1,044,008
Capital Assets, Net of Accumulated Depreciation	2,968,737	6,867,228	9,835,965
Total Assets	<u>7,948,494</u>	<u>8,825,816</u>	<u>16,774,310</u>
Deferred Outflows of Resources			
Pension-Related Deferred Outflows	190,887	-	190,887
Total Deferred Inflows of Resources	<u>190,887</u>	<u>-</u>	<u>190,887</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	53,227	25,765	78,992
Accrued Liabilities	11,241	-	11,241
Accrued Salary and Wages	50,850	3,266	54,116
Accrued Interest Payable	-	3,797	3,797
Unearned Revenue	22,053	-	22,053
Deposits	3,300	-	3,300
Total Current Liabilities	<u>140,671</u>	<u>32,828</u>	<u>173,499</u>
<i>Non-Current Liabilities</i>			
Due Within One Year	59,666	254,412	314,078
Due In More Than One Year	100,678	2,096,394	2,197,072
Total Non-Current Liabilities	<u>160,344</u>	<u>2,350,806</u>	<u>2,511,150</u>
Total Liabilities	<u>301,015</u>	<u>2,383,634</u>	<u>2,684,649</u>
Deferred Inflows of Resources			
Deferred Property Taxes	314,758	-	314,758
Grants	54,276	-	54,276
Pensions, Net of Accumulated Amortization	31,080	-	31,080
Other	23,875	-	23,875
Total Deferred Inflows of Resources	<u>423,989</u>	<u>-</u>	<u>423,989</u>
Net Position			
Net Investment in Capital Assets	3,798,703	4,661,955	8,460,658
Restricted for:			
Emergencies	112,661	-	112,661
Debt Service Reserve	-	221,220	221,220
Conservation Trust	33,496	-	33,496
Unrestricted	3,469,517	1,559,007	5,028,524
Total Net Position	<u>\$ 7,414,377</u>	<u>\$ 6,442,182</u>	<u>\$ 13,856,559</u>

See Notes to the Financial Statements.

Town of Fairplay, Colorado
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 1,313,638	\$ 408,910	\$ 21,882	\$ -	\$ (882,846)	\$ -	\$ (882,846)
Public Safety	1,121,995	27,549	6,520	-	(1,087,926)	-	(1,087,926)
Public Works	616,805	42,894	248,830	-	(325,081)	-	(325,081)
Culture and Recreation	264,831	35,997	12,068	-	(216,766)	-	(216,766)
Interest Expense	1,687	-	-	-	(1,687)	-	(1,687)
Total Governmental Activities	<u>3,318,956</u>	<u>515,350</u>	<u>289,300</u>	<u>-</u>	<u>(2,514,306)</u>	<u>-</u>	<u>(2,514,306)</u>
Business-Type Activities							
Water and Sewer	<u>1,113,486</u>	<u>1,108,466</u>	<u>186,385</u>	<u>238,065</u>	<u>-</u>	<u>419,430</u>	<u>419,430</u>
Total Business-Type Activities	<u>1,113,486</u>	<u>1,108,466</u>	<u>186,385</u>	<u>238,065</u>	<u>-</u>	<u>419,430</u>	<u>419,430</u>
Total Primary Government	<u>\$ 4,432,442</u>	<u>\$ 1,623,816</u>	<u>\$ 475,685</u>	<u>\$ 238,065</u>	<u>(2,514,306)</u>	<u>419,430</u>	<u>(2,094,876)</u>
General Revenues							
Property Taxes					334,859	-	334,859
Specific Ownership Taxes					28,384	-	28,384
Sales and Use Taxes					2,052,681	-	2,052,681
Franchise Taxes					89,833	-	89,833
Other Taxes					48,581	-	48,581
Intergovernmental Revenues Not Restricted to Specific Programs					4,484	-	4,484
Investment Income					165,423	76,246	241,669
Miscellaneous Income					18,857	-	18,857
Total General Revenues					<u>2,743,102</u>	<u>76,246</u>	<u>2,819,348</u>
Change in Net Position					228,796	495,676	724,472
Net Position, Beginning of Year					<u>7,185,581</u>	<u>5,946,506</u>	<u>13,132,087</u>
Net Position, End of Year					<u>\$ 7,414,377</u>	<u>\$ 6,442,182</u>	<u>\$ 13,856,559</u>

Town of Fairplay, Colorado
Balance Sheet
Governmental Funds
December 31, 2024

	General	Conservation Trust	Totals
Assets			
Cash and Investments	\$ 3,166,125	\$ -	\$ 3,166,125
Restricted Cash and Investments	-	32,397	32,397
Accounts Receivable	464,825	1,099	465,924
Property Taxes Receivable	314,758	-	314,758
Prepaid Expenses	26,659	-	26,659
Total Assets	\$ 3,972,367	\$ 33,496	\$ 4,005,863
Liabilities			
Accounts Payable	\$ 53,204	\$ -	\$ 53,204
Accrued Liabilities	11,241	-	11,241
Accrued Salary and Wages	50,850	-	50,850
Unearned Revenue	22,053	-	22,053
Deposits	3,300	-	3,300
Total Liabilities	140,648	-	140,648
Deferred Inflows of Resources			
Property Taxes	314,758	-	314,758
Grants	54,276	-	54,276
Other	23,875	-	23,875
	392,909	-	392,909
Fund Balances			
Nonspendable	26,659	-	26,659
Restricted	112,661	33,496	146,157
Unassigned	3,299,490	-	3,299,490
Total Fund Balances	3,438,810	33,496	3,472,306
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,972,367	\$ 33,496	\$ 4,005,863

Town of Fairplay, Colorado
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 For the Year Ended December 31, 2024

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds	\$ 3,472,306
<p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.</p>	
Capital Assets, Not Being Depreciated	905,895
Capital Assets, Being Depreciated	3,766,881
Accumulated Depreciation	(1,377,006)
<p>Net pension assets and liabilities and the related deferred inflows and outflows are not current financial resources and, therefore, are not reported in governmental funds:</p>	
Pension Related Deferred Outflows of Resources	190,887
Pension Related Deferred Inflows of Resources	(31,080)
<p>Long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds.</p>	
Lease Financing Agreements	(19,093)
Subscription Financing Agreements	(56,836)
Accrued Compensated Absences	(84,415)
Internal service fund blended into Governmental Activities	<u>646,838</u>
Total Net Position of Governmental Activities	<u>\$ 7,414,377</u>

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

	General	Conservation Trust	Totals
Revenues			
Taxes	\$ 2,554,338	\$ -	\$ 2,554,338
Licenses and Permits	61,759	-	61,759
Charges for Services	284,337	-	284,337
Fines and Forfeitures	27,469	-	27,469
Intergovernmental	277,232	4,484	281,716
Investment Income	165,320	103	165,423
Miscellaneous	63,139	-	63,139
	<u>3,433,594</u>	<u>4,587</u>	<u>3,438,181</u>
Total Revenues			
	<u>3,433,594</u>	<u>4,587</u>	<u>3,438,181</u>
Expenditures			
Current			
General Government	1,217,819	-	1,217,819
Public Safety	1,078,543	-	1,078,543
Public Works	410,034	-	410,034
Parks, Recreation and Other	231,987	2,522	234,509
Capital Outlay	1,018,140	-	1,018,140
Debt Service			
Principal	24,787	-	24,787
Interest	2,477	-	2,477
	<u>3,983,787</u>	<u>2,522</u>	<u>3,986,309</u>
Total Expenditures			
	<u>3,983,787</u>	<u>2,522</u>	<u>3,986,309</u>
Net Change in Fund Balances	(550,193)	2,065	(548,128)
Fund Balances, Beginning of Year	<u>3,989,003</u>	<u>31,431</u>	<u>4,020,434</u>
Fund Balances, End of Year	<u>\$ 3,438,810</u>	<u>\$ 33,496</u>	<u>\$ 3,472,306</u>

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

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance of Governmental Funds	\$	(548,128)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital Outlay		943,385
Depreciation Expense		(149,789)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in Net Pension Liability		24,650
Change in Deferred Outflows Related to Pensions		(87,161)
Change in Deferred Inflows Related to Pensions		82,747
<p>Repayments of debt principal are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.</p>		
Change in Lease Agreements		(18,406)
Change in Software Agreements		(56,836)
Change in Accrued Compensated Absences		(49,401)
<p>Internal service operations primarily benefit Governmental Activities</p>		
Change in Net Position Internal Service Fund		<u>87,735</u>
Change in Net Position of Governmental Activities	\$	<u><u>228,796</u></u>

Town of Fairplay, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2024

	Utility	Internal Service
Assets		
Current Assets		
Cash and Investments	\$ 1,271,142	\$ 67,999
Restricted Cash and Investments	362,927	-
Accounts Receivable	138,761	-
Prepaid Expenses	47,645	-
Total Current Assets	1,820,475	67,999
Non-Current Assets		
Capital Assets, <i>Not Being Depreciated</i>	138,113	-
Capital Assets, <i>Net of Accumulated Depreciation</i>	6,867,228	578,862
Total Noncurrent Assets	7,005,341	578,862
Total Assets	\$ 8,825,816	\$ 646,861
Liabilities		
Current Liabilities		
Accounts Payable	\$ 25,765	\$ 23
Accrued Liabilities	3,266	-
Accrued Interest Payable	3,797	-
Total Current Liabilities	32,828	23
Non-Current Liabilities		
Due Within One Year	254,412	-
Due In More Than One Year	2,096,394	-
Total Liabilities	2,383,634	23
Net Position		
Investment in Capital Assets	4,661,955	578,862
Restricted	221,220	-
Unrestricted	1,559,007	67,976
Total Net Position	\$ 6,442,182	\$ 646,838

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

	Utility	Internal Service
Operating Revenues		
Charges for Services	\$ 1,095,074	\$ -
Internal Charges	-	141,785
Miscellaneous Income	13,392	12,084
Total Operating Revenues	1,108,466	153,869
Operating Expenses		
Management Fees/Internal Charges	34,846	-
Personnel Services	169,103	-
Administrative/Office Expenses	30,709	-
Insurance	24,046	-
Operating Supplies	47,748	-
Professional Fees	180,790	-
Repairs and Maintenance	145,351	-
Travel and Training	1,781	-
Telephone and Utilities	98,475	-
Other Operating Expense	12,606	23
Depreciation Expense	284,569	66,111
Total Operating Expenses	1,030,024	66,134
Net Operating Gain (Loss)	78,442	87,735
Nonoperating Revenues (Expenses)		
Intergovernmental Revenue	186,385	-
Investment Income	76,246	-
Interest Expense	(83,462)	-
Total Nonoperating Revenues (Expenses)	179,169	-
Net Income (Loss) Before Capital Contributions	257,611	87,735
Capital Contributions		
Plant Investment Fees	238,065	-
Change in Net Position	495,676	87,735
Net Position, Beginning of Year	5,946,506	559,103
Net Position, End of Year	\$ 6,442,182	\$ 646,838

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

	Business Type Activities	Governmental Activities
	Utility	Internal Service Fund
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 1,054,931	\$ -
Cash Received from Others	13,392	153,869
Cash Paid to Employees	(182,331)	-
Cash Paid to Suppliers	(685,873)	-
Net Cash Used in Operating Activities	200,119	153,869
Cash Flows From Investing Activities		
Interest Received	76,246	-
Cash Flows From Capital and Related Financing Activities		
Debt Principal Payment	(243,638)	-
Interest Payments	(83,462)	-
Acquisition of Capital Assets	(914,409)	(228,232)
Capital Contributions	238,065	-
Net Cash Provided by Capital and Related Financing Activities	(1,003,444)	(228,232)
Cash Flows From Noncapital Financing Activities		
Federal Grant Revenue Received	186,385	-
Net Cash Provided by Noncapital Financing Activities	186,385	-
Net Change in Cash and Cash Equivalents	(540,694)	(74,363)
Cash and Cash Equivalents, Beginning of Year	2,174,763	142,362
Cash and Cash Equivalents, End of Year	\$ 1,634,069	\$ 67,999
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities		
Net Operating Gain/(Loss)	\$ 78,442	\$ 87,735
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities		
Depreciation	284,569	66,111
Changes in Assets and Liabilities Related to Operations		
Accounts Receivable	(40,143)	-
Prepaid Expenses	(47,645)	-
Accounts Payable	(73,900)	23
Accrued Salaries and Benefits	(454)	-
Accrued Interest	337	-
Compensated Absences	(1,087)	-
Net Cash Used in Operating Activities	\$ 200,119	\$ 153,869

See Notes to the Financial Statements.

Town of Fairplay, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies

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

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the Town. The Town may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of the criteria, no additional organizations are includable within the Town's reporting entity.

Government-wide and Fund Financial Statements

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

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

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

Town of Fairplay, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for 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.

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

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

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

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

The Town reports the following major proprietary funds:

Utility Enterprise Fund - This Fund accounts for all activities necessary to provide water and sewer services to the Town's residents.

Town of Fairplay, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance

Cash and Investments - Cash equivalents include investments with original maturities of three months or less. Pooled cash and investments are considered cash equivalents. Investments are reported at fair value.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets - Capital assets, which include land, buildings, plant, infrastructure, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The Town did not retroactively report infrastructure when those accounting standards were adopted.

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

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

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

Deferred Outflows and Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year and pension deferred inflows. The Town reports deferred outflows related to pension liabilities as further discussed in Note 5.

Compensated Absences - Employees of the Town are allowed to accumulate unused paid time off (PTO). Upon termination or resignation of employment from the Town, an employee will be compensated for all accrued PTO. Accumulated, unpaid PTO is accrued when earned in the government-wide and proprietary fund financial statements. A liability is reported in the governmental fund financial statements only when payment is due.

Town of Fairplay, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance (Continued)

Pensions - The Town contributes to the Statewide Retirement Plan (SRP), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (FPPA). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the SRP plan and additions to/deductions from the SRP plan fiduciary net position have been determined on the same basis as they are reported by the FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments at FPPA are reported at fair value.

Long-Term Obligations - In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and refunding losses are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financial uses.

Net Position - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. Net position is classified into the following categories:

- *Net Investment in Capital Assets* - this classification is intended to report the portion of net position, which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.
- *Restricted Net Position* - this classification includes liquid assets which have third-party limitations on their use.
- *Unrestricted Net Position* - this classification includes assets that do not have any third-party limitation on their use.

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact.

Town of Fairplay, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance (Continued)

- *Restricted* - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town had classified emergency reserves as being restricted because State statute requires this restriction. In addition, the Town had restricted amounts for parks and open space and debt service reserve.
- *Committed* - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority, the Board of Trustees. The constraint may be removed or changed only through formal action of the Board of Trustees. The Town had no committed resources at December 31, 2024.
- *Assigned* - This classification includes amounts that are constrained by the Town's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Trustees to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts. The Town had no assigned resources at December 31, 2024.
- *Unassigned* - This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In the fund financial statements, governmental funds report committed fund balances when the Town Council formally commits resources for a specific purpose through a passage of a resolution or approval of contractual agreements with third parties.

The Board of Trustees is authorized to informally assign amounts to a specific purpose and has assigned this authority to the Town Manager or other designee. Such fund balance assignments are reported in the governmental fund financial statements.

The Town has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the Town uses restricted fund balance first, followed by committed, assigned and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following December for collection in the subsequent year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the Town on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, receivables and corresponding deferred inflows of resources are reported at year end.

Town of Fairplay, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Town has evaluated subsequent events through August 18, 2025, the date the financial statements were available to be issued.

Note 2: Cash and Investments

Cash and investments at December 31, 2024 , consisted of the following:

Petty Cash	\$	502
Deposits		869,956
Investments		<u>4,030,132</u>
 Total	 \$	 <u><u>4,900,590</u></u>

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$	4,505,266
Restricted Cash and Investments		<u>395,324</u>
 Total	 \$	 <u><u>4,900,590</u></u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. As of December 31, 2024, the Town had bank deposits of \$603,059 collateralized with securities held by the financial institutions' agents but not in the Town's name.

Investments

The Town is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Certain corporate or bank securities
- Commercial paper
- Local government investment pools

Town of Fairplay, Colorado
Notes to Financial Statements
December 31, 2024

Note 2: Cash and Investments (Continued)

Investments (Continued)

- Repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts (GICs)

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

Investment Type	S&P Rating	Investment Maturities in Years		
		Less Than 1	1 to 5 Years	Total
Local Government Investment Pools	AAAm	\$ 4,030,132	\$ -	\$ 4,030,132
Total		\$ 4,030,132	\$ -	\$ 4,030,132

Local Government Investment Pools - At December 31, 2024, the Town had \$4,000,047 and \$30,085 invested in the Colorado Local Government Liquid Asset Trust (Colotrust) and the Colorado Surplus Asset Fund Trust (CSAFE), respectively. The pools are investment vehicles established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating the pools. The pools operate in conformity with the Securities and Exchange Commission's Rule 2a-7. The pools are measured at the net asset value per share, with each share valued at \$1. The pools are rated AAAM by Standard and Poor's. Investments of the pools are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection.

Restricted Cash and Investments

\$362,927 is restricted for Debt Service and \$32,397 is restricted for the Conservation Trust Fund.

Town of Fairplay, Colorado
Notes to Financial Statements
December 31, 2024

Note 3: Capital Assets

Governmental Activities capital asset activity for the year ended December 31, 2024, is summarized below:

	Balance 12/31/23	Additions	Deletions	Transfers	Balance 12/31/24
Governmental Activities					
Capital Assets, <i>Not Being Depreciated</i>					
Land	\$ 654,960	\$ -	\$ -	\$ -	\$ 654,960
Construction in Progress	248,828	30,681	-	(28,574)	250,935
Total Capital Assets, <i>Not Being Depreciated</i>	<u>903,788</u>	<u>30,681</u>	<u>-</u>	<u>(28,574)</u>	<u>905,895</u>
Capital Assets, <i>Being Depreciated</i>					
Buildings and Improvements	1,032,229	690,183	-	28,574	1,750,986
Infrastructure	690,828	35,031	-	-	725,859
Vehicles, Machinery and Equipment	748,583	76,671	(138,683)	(30,960)	655,611
Fleet Vehicles	589,013	228,232	-	-	817,245
Improvements	492,645	-	-	-	492,645
Leased Assets	-	24,870	-	-	24,870
Subscription Contracts	-	85,949	-	30,960	116,909
Total Capital Assets, <i>Being Depreciated</i>	<u>3,553,298</u>	<u>1,140,936</u>	<u>(138,683)</u>	<u>28,574</u>	<u>4,584,125</u>
Less Accumulated Depreciation					
Buildings and Improvements	(259,204)	(30,022)	-	-	(289,226)
Infrastructure	(355,212)	(18,471)	-	-	(373,683)
Vehicles, Machinery and Equipment	(484,585)	(26,592)	138,683	6,634	(365,860)
Fleet Vehicles	(172,272)	(66,111)	-	-	(238,383)
Improvements	(266,898)	(17,327)	-	-	(284,225)
Leased Assets	-	(6,114)	-	-	(6,114)
Subscription Contracts	-	(51,263)	-	(6,634)	(57,897)
Total Accumulated Depreciation	<u>(1,538,171)</u>	<u>(215,900)</u>	<u>138,683</u>	<u>-</u>	<u>(1,615,388)</u>
Total Capital Assets, Being Depreciated	<u>2,015,127</u>	<u>925,036</u>	<u>-</u>	<u>28,574</u>	<u>2,968,737</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,918,915</u>	<u>\$ 955,717</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,874,632</u>

Depreciation expense was charged to programs of the Town as follows:

General Government	\$ 59,719
Public Safety	43,831
Public Works	17,176
Culture and Recreation	29,063
Internal Fleet	<u>66,111</u>
Total	<u>\$ 215,900</u>

Town of Fairplay, Colorado
Notes to Financial Statements
December 31, 2024

Note 3: Capital Assets (Continued)

Business-Type asset activity for the year ended December 31, 2024, is summarized below:

	Balance 12/31/23	Additions	Deletions	Transfers	Balance 12/31/24
Business-Type Activities					
Capital Assets, Not Being Depreciated					
Land	\$ 138,113	\$ -	\$ -	\$ -	\$ 138,113
Construction in Progress	284,009	-	-	(284,009)	-
Total Capital Assets, Not Being Depreciated	422,122	-	-	(284,009)	138,113
Capital Assets, Being Depreciated					
Buildings	253,639	-	-	-	253,639
Infrastructure	66,008	-	-	-	66,008
Vehicles, Machinery and Equipment	543,591	24,428	-	-	568,019
Improvements	52,822	-	-	-	52,822
Transmission System and Lines	3,375,962	129,556	-	32,184	3,537,702
Water Treatment Plant	1,022,484	127,327	-	-	1,149,811
Sewer Treatment Plant	3,660,358	163,139	-	34,362	3,857,859
Gallery System	604,409	469,959	-	217,463	1,291,831
Total Capital Assets, Being Depreciated	9,579,273	914,409	-	284,009	10,777,691
Less Accumulated Depreciation					
Buildings	(109,864)	(7,196)	-	-	(117,060)
Infrastructure	(25,160)	(2,289)	-	-	(27,449)
Vehicles, Machinery and Equipment	(343,616)	(19,623)	-	-	(363,239)
Improvements	(23,628)	(1,218)	-	-	(24,846)
Transmission System and Lines	(1,342,075)	(62,323)	-	-	(1,404,398)
Water Treatment Plant	(376,080)	(25,185)	-	-	(401,265)
Sewer Treatment Plant	(802,387)	(152,638)	-	-	(955,025)
Gallery System	(603,084)	(14,097)	-	-	(617,181)
Total Accumulated Depreciation	(3,625,894)	(284,569)	-	-	(3,910,463)
Total Capital Assets, Being Depreciated, net	5,953,379	629,840	-	284,009	6,867,228
Business-Type Activities Capital Assets, net	\$ 6,375,501	\$ 629,840	\$ -	\$ -	\$ 7,005,341

Note 4: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2024:

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024	Due Within One Year
Governmental Activities					
Lease Financing Agreements	\$ 687	\$ 22,951	\$ (4,545)	\$ 19,093	\$ 4,848
Software Agreements	-	77,766	(20,930)	56,836	21,642
Compensated Absences	35,014	92,212	(42,811)	84,415	33,176
Total	\$ 35,701	\$ 192,929	\$ (68,286)	\$ 160,344	\$ 59,666

Accrued compensated absences are being paid from resources generated by the General Fund.

During 2019, the Town entered into a lease agreement for \$12,240 to purchase a copier. At December 31, 2024, this lease agreement was fully paid.

Town of Fairplay, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Governmental Activities (Continued)

During 2023, the Town entered into a lease agreement for \$11,193 to purchase a printer. Principal and interest are due monthly beginning in February 2023 through January 2027. Interest accrues on the outstanding balance at 3.23%. At December 31, 2024, capital assets in the amount of \$11,193 less accumulated depreciation of \$4,291 are reported under this lease.

During 2024, the Town entered into a lease agreement for \$3,250 to purchase a printer. Principal and interest are due monthly beginning in May 2024 through April 2029. Interest accrues on the outstanding balance at 3.23%. At December 31, 2024, capital assets in the amount of \$3,250 less accumulated depreciation of \$433 are reported under this lease.

During 2024, the Town entered into a lease agreement for \$10,427 to purchase a printer. Principal and interest are due monthly beginning in May 2024 through April 2029. Interest accrues on the outstanding balance at 3.23%. At December 31, 2024, capital assets in the amount of \$10,427 less accumulated depreciation of \$1,390 are reported under this lease.

The future minimum payments under the lease financing agreements are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,848	\$ 545	\$ 5,393
2026	5,007	386	5,393
2027	5,171	222	5,393
2028	3,085	83	3,168
2029	982	7	989
Total	<u>\$ 19,093</u>	<u>\$ 1,243</u>	<u>\$ 20,336</u>

During 2022, the Town entered into a subscription agreement for \$86,288 to purchase software. Principal and interest are due monthly beginning in January 2022 through January 2026. Interest accrues on the outstanding balance at 3.23%. At December 31, 2024, capital assets in the amount of \$86,288 less accumulated depreciation of \$51,773 are reported under this subscription agreement.

During 2024, the Town entered into a subscription agreement for \$30,621 to purchase software. Principal and interest are due monthly beginning in January 2024 through December 2028. Interest accrues on the outstanding balance at 3.23%. At December 31, 2024, capital assets in the amount of \$30,621 less accumulated depreciation of \$6,124 are reported under this subscription agreement.

Town of Fairplay, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Governmental Activities (Continued)

The future minimum payments under the subscription agreements are as follows:

Year Ended December 31,	Principal	Interest	Total
2025	\$ 21,642	\$ 1,218	\$ 22,860
2026	22,351	508	22,859
2027	6,318	264	6,582
2028	6,525	57	6,582
Total	<u>\$ 56,836</u>	<u>\$ 2,047</u>	<u>\$ 58,883</u>

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended, December 31, 2024:

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024	Due Within One Year
Business-Type Activities					
2018 Note Payable	\$ 2,450,600	\$ -	\$ (238,400)	\$ 2,212,200	\$ 246,100
2023 CWRPDA Note Payable	136,424	-	(5,238)	131,186	5,396
Compensated Absences	8,507	2,676	(3,763)	7,420	2,916
Total	<u>\$ 2,595,531</u>	<u>\$ 2,676</u>	<u>\$ (247,401)</u>	<u>\$ 2,350,806</u>	<u>\$ 254,412</u>

Accrued compensated absences are being paid from resources generated by the Business-Type activities.

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

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

Town of Fairplay, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

Debt Service Reserve - In addition, the Note requires the establishment of a debt service reserve account equal to the smaller of 10% of the outstanding principal of the Note and related party debt, the maximum annual debt service of the Note and related parity debt, or 125% of the average annual debt service on the Note and related parity debt. The lesser of the three is scheduled to be the 10% of the Note and parity debt outstanding at year end, or \$221,220 at December 31, 2024.

During 2023, the Town entered into a loan agreement for \$136,844 with the CWRPDA. Loan proceeds were used to finance repairs to the Town's water systems. Principal payments are due semi-annually on May 1 and November 1, beginning on November 1, 2023 through May 2043. Interest accrues at 3.0% per annum.

The CWRPDA loans is payable solely from revenues of the Utility Fund, after deduction of operating and maintenance costs. An Operations and Maintenance Reserve is required equal to three months of operations and maintenance. Net revenues of \$439,257 were available to pay annual debt service of \$9,292. Remaining debt service at December 31, 2024 was \$131,186.

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 251,496	\$ 75,349	\$ 326,845
2026	259,659	67,237	326,896
2027	268,027	58,862	326,889
2028	276,601	50,216	326,817
2029	285,579	41,295	326,874
2030-2034	932,764	61,983	994,747
2035-2039	38,605	7,854	46,459
2040-2043	<u>30,655</u>	<u>1,867</u>	<u>32,522</u>
Total	<u>\$ 2,343,386</u>	<u>\$ 364,663</u>	<u>\$ 2,708,049</u>

Note 5: Pension Plans

Police Pension Plan

General Information

Plan Description - The Town contributes to the Statewide Retirement Plan (SRP), a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that includes information on the plans. That report may be obtained on FPPA's website at <http://www.fppaco.org>.

Town of Fairplay, Colorado

Notes to Financial Statements

December 31, 2024

Note 5: Pension Plans (Continued)

Police Pension Plan (Continued)

General Information (Continued)

Benefits Provided - 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 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.

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.

Benefits paid to retired members are evaluated annually and may be re-determined every 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, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions - The Town and eligible employees are required to contribute to the SRP plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The Town and eligible employees contributed 10% and 12% of base salary, respectively, for the year ended December 31, 2024.

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

SRP Plan members elected to increase the employee contribution rate 0.5% annually through 2022, to a total of 12% of base salary. Employer contributions increase 0.5% annually beginning in 2021 through 2030 to a total of 13% of base salary. The Town's contributions to the SRP plan for the year ended December 31, 2024, were \$20,204, equal to the required contributions.

Town of Fairplay, Colorado

Notes to Financial Statements

December 31, 2024

Note 5: Pension Plans (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2024, the Town reported a net pension liability of \$0 representing its proportionate share of the net pension liability of the SRP Plan. 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's proportion of the net pension asset was based on the Town's contributions to the plan for the calendar year ended December 31, 2023, relative to the projected contributions of all participating employers.

At December 31, 2024, the Town's proportion of the SRP Plan was 0.02164744% which was a decrease of 0.00612351% from its proportion measured at December 31, 2022.

For the year ended December 31, 2024, the Town recognized pension expense for the SRP Plan of \$24,925. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Statewide Retirement Plan		
Differences between expected and actual experience	\$ 31,418	\$ (1,627)
Net difference between projected and actual earnings on plan investments	26,734	-
Changes of assumptions and other inputs	18,333	-
Changes of proportion	51,831	(29,453)
Contributions subsequent to the measurement date	62,571	-
Total	\$ 190,887	\$ (31,080)

Town of Fairplay, Colorado

Notes to Financial Statements

December 31, 2024

Note 5: Pension Plans (Continued)

Police Pension Plan (Continued)

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

Town contributions to the SRP Plan subsequent to the measurement date of \$62,571 will be recognized as a decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended December 31,</u>		
2025	\$	25,790
2026		35,381
2027		6,145
2028		9,537
2029		11,215
Thereafter		9,168
Total	\$	97,236

Actuarial Assumptions - The actuarial valuations as of January 1, 2024, determined the total pension liability using the following actuarial assumptions and other inputs:

Investment rate of return, compounded annually, net of plan investment expenses, including inflation	7.0%
Inflation	2.5%
Projected salary increases	4.25% - 11.25%
Cost of living adjustments (COLA)	0.0%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety 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 used 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 Pub-2010 Safety 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.

Town of Fairplay, Colorado

Notes to Financial Statements

December 31, 2024

Note 5: Pension Plans (Continued)

Police Pension Plan (Continued)

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5%).

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2024 are summarized in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the FPPA Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Town of Fairplay, Colorado

Notes to Financial Statements

December 31, 2024

Note 5: Pension Plans (Continued)

Police Pension Plan (Continued)

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

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension asset (liability) calculated using the discount rate of 7.00%, as well as the Town's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate, as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the SRP Net Pension Liability (Asset)	\$ <u>121,386</u>	\$ <u>-</u>	\$ <u>-</u>

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

Note 6: Other Postemployment Benefits

Defined Contribution Plan

The Town provides pension benefits for all of its regular, full-time non-law enforcement employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered by ICMA Retirement Corporation and covers all full-time Town employees excluding police officers. Employees are eligible to participate immediately. A contractual agreement between the Town and ICMA requires the Town to contribute an amount equal to three percent of all employees' salaries, and a mandatory employee contribution of three percent. The Town's contributions for each employee become fully vested after five years of service. These contributions are paid to ICMA and ICMA administers the plan. The Town made the required contributions of 3.00%, totaling \$18,769 and plan members contributed a total of \$18,769 for the year ending December 31, 2024.

Deferred Compensation Plan

The Town has a deferred compensation plan created in accordance with Internal Revenue Code Sec. 457. The plan is administered by ICMA-RC. Participation in the plan is optional for all employees. The plan allows employees to defer a portion of their salary until future years. Employees contributed \$19,781 to this plan for the year ending December 31, 2024. There were no employer contributions.

Town of Fairplay, Colorado

Notes to Financial Statements

December 31, 2024

Note 7: Commitments and Contingencies

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to interpretation. The Town believes it is in compliance with the requirements of the Amendment.

On April 2, 1996, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town in 1996 and subsequent years, notwithstanding the provisions of the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2024, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$112,661.

Claims and Judgments

The Town participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. At December 31, 2024, significant amounts of grant expenditures have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the Town.

Note 8: Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and health and dental claims of its employees.

Public Entity Risk Pool

For property, liability and workers compensation risks of loss, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members with defined liability, property, and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

Town of Fairplay, Colorado
Notes to Financial Statements
December 31, 2024

Note 8: Risk Management (Continued)

Public Entity Risk Pool (Continued)

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

Required Supplementary Information

Town of Fairplay, Colorado
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Police Officers Statewide Defined Benefit Pension Plan (FPPA)
December 31, 2024

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Proportionate Share of the Net Pension Asset (Liability)					
Town's Proportion of the Net Pension Liability (Asset)	0.02164744%	0.02777095%	0.02407094%	0.02324427%	0.03065332%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ 24,650	\$ (130,449)	\$ (50,463)	\$ (17,336)
Town's Covered Payroll	\$ 271,813	\$ 205,888	\$ 186,700	\$ 225,925	\$ 76,550
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	0.0%	12.0%	-69.9%	-22.3%	-22.6%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.0%	97.6%	116.2%	106.7%	101.9%
	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Town Contributions					
Statutorily Required Contribution	\$ 20,204	\$ 21,745	\$ 16,471	\$ 14,936	\$ 18,074
Contributions in Relation to the Statutorily Required Contribution	<u>(20,204)</u>	<u>(21,745)</u>	<u>(16,471)</u>	<u>(14,936)</u>	<u>(18,074)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 252,550	\$ 271,813	\$ 205,888	\$ 186,700	\$ 225,925
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%

This schedule is presented to show information for 10 years.

(Continued)

Town of Fairplay, Colorado
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Police Officers Statewide Defined Benefit Pension Plan (FPPA)
December 31, 2024
(Continued)

	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
Proportionate Share of the Net Pension Asset (Liability)					
Town's Proportion of the Net Pension Liability (Asset)	0.01142781%	0.01806628%	0.02903089%	0.02913222%	0.02749596%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ 14,448	\$ (25,991)	\$ 10,490	\$ (514)	\$ (31,031)
Town's Covered Payroll	\$ 105,675	\$ 148,575	\$ 141,225	\$ 123,650	\$ 1,227,432
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	13.7%	-17.5%	7.4%	-0.4%	-2.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.2%	106.3%	98.2%	100.1%	106.8%
	<u>12/31/19</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
Town Contributions					
Statutorily Required Contribution	\$ 6,124	\$ 8,454	\$ 11,886	\$ 11,298	\$ 9,892
Contributions in Relation to the Statutorily Required Contribution	<u>(6,124)</u>	<u>(8,454)</u>	<u>(11,886)</u>	<u>(11,298)</u>	<u>(9,892)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 76,550	\$ 105,675	\$ 148,575	\$ 141,225	\$ 123,650
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%

This schedule is presented to show information for 10 years.

Town of Fairplay, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 2,392,600	\$ 2,559,560	\$ 2,554,338	\$ (5,222)
Intergovernmental	904,120	72,957	277,232	204,275
Licenses and Permits	69,200	48,741	61,759	13,018
Charges for Services	136,572	261,359	284,337	22,978
Fines and Forfeitures	17,300	25,636	27,469	1,833
Investment Income	140,350	153,807	165,320	11,513
Miscellaneous	18,500	17,840	63,139	45,299
Total Revenues	<u>3,678,642</u>	<u>3,139,900</u>	<u>3,433,594</u>	<u>293,694</u>
Expenditures				
Current				
General Government	1,054,133	1,062,952	1,217,819	(154,867)
Public Safety	1,171,274	1,359,171	1,078,543	280,628
Public Works	471,341	441,144	410,034	31,110
Parks, Recreation and Other	362,120	237,091	231,987	5,104
Capital Outlay	1,780,000	1,005,500	1,018,140	(12,640)
Debt Service				
Principal	-	-	24,787	(24,787)
Interest	-	-	2,477	(2,477)
Total Expenditures	<u>4,838,868</u>	<u>4,105,858</u>	<u>3,983,787</u>	<u>122,071</u>
Net Change in Fund Balance	(1,160,226)	(965,958)	(550,193)	415,765
Fund Balance, Beginning of Year	<u>3,790,633</u>	<u>3,989,003</u>	<u>3,989,003</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2,630,407</u>	<u>\$ 3,023,045</u>	<u>\$ 3,438,810</u>	<u>\$ 415,765</u>

Town of Fairplay, Colorado
Notes to Required Supplementary Information
December 31, 2024

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the Town. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The Town follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the Board of Trustees a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Budgets amended by the Board of Trustees during the year have been presented in the budgetary comparison schedules for each fund amended.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

Supplementary Information

Combining and Individual Fund Statements and Schedules

Town of Fairplay, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 4,500	\$ 3,400	\$ 4,484	\$ 1,084
Investment Income	50	100	103	3
	<u>4,550</u>	<u>3,500</u>	<u>4,587</u>	<u>1,087</u>
Total Revenues				
Expenditures				
Current				
Parks, Recreation and Other	-	2,600	2,522	78
	<u>-</u>	<u>2,600</u>	<u>2,522</u>	<u>78</u>
Total Expenditures				
Net Change in Fund Balance	4,550	900	2,065	1,165
Fund Balance, Beginning of Year	<u>27,193</u>	<u>42,856</u>	<u>31,431</u>	<u>(11,425)</u>
Fund Balance, End of Year	<u>\$ 31,743</u>	<u>\$ 43,756</u>	<u>\$ 33,496</u>	<u>\$ (10,260)</u>

Town of Fairplay, Colorado
Budgetary Comparison Schedule
Utility Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 1,543,429	\$ 1,096,227	\$ 1,095,074	\$ (1,153)
Plant Investment Fees	249,914	241,000	238,065	(2,935)
Intergovernmental	-	199,850	186,385	(13,465)
Investment Income	50,100	75,000	76,246	1,246
Miscellaneous Income	8,000	13,011	13,392	381
Total Revenues	<u>1,851,443</u>	<u>1,625,088</u>	<u>1,609,162</u>	<u>(15,926)</u>
Expenditures				
Management Fees/Internal Charges	34,846	34,846	34,846	-
Personnel Services	187,543	201,522	169,103	32,419
Administrative/Office Expenses	32,500	29,850	30,709	(859)
Insurance	14,731	25,000	24,046	954
Operating Supplies	33,000	42,325	47,748	(5,423)
Professional Fees	573,975	710,500	180,790	529,710
Repairs and Maintenance	241,000	384,220	145,351	238,869
Travel and Training	10,000	3,376	1,781	1,595
Telephone and Utilities	111,000	109,750	98,475	11,275
Other Operating Expense	265,700	334,000	12,606	321,394
Capital Outlay	-	-	914,409	(914,409)
Interest Expense	88,446	88,392	83,462	4,930
Debt Principal	238,400	238,400	243,638	(5,238)
Total Expenditures	<u>1,831,141</u>	<u>2,202,181</u>	<u>1,986,964</u>	<u>215,217</u>
Change in Net Position, Budgetary Basis	<u>\$ 20,302</u>	<u>\$ (577,093)</u>	<u>(377,802)</u>	<u>\$ 199,291</u>
Reconciliation to GAAP Basis				
Capital Outlay			914,409	
Depreciation			(284,569)	
Debt Principal			243,638	
Change in Net Position, GAAP Basis			<u>\$ 495,676</u>	

State Compliance

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

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/2024
This Information From The Records Of: Town of Fairplay	Prepared By: jsiacca@fairplayco.us

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 209,199.43
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	\$ 20,927.06	b. Snow and ice removal	\$ -
3. Other local imposts (from page 2)	\$ 513,170.16	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 25,058.00	d. Total (a. through c.)	\$ -
5. Transfers from toll facilities		4. General administration & miscellaneous:	\$ 398,873.11
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues			
b. Bonds - Refunding Issues		6. Total (1 through 5)	\$ 608,072.54
c. Notes		B. Debt service on local obligations:	
d. Total (a. + b. + c.)	\$ -	1. Bonds:	
7. Total (1 through 6)	\$ 559,155.22	a. Interest	
8. Private Contributions		b. Redemption	
C. Receipts from State government (from page 2)	\$ 48,917.32	c. Total (a. + b.)	\$ -
D. Receipts from Federal Government (from page 2)	\$ -	2. Notes:	
E. Total receipts (A.7 + B + C + D)	\$ 608,072.54	a. Interest	
		b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 608,072.54

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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
		\$ 608,072.54	\$ 608,072.54		\$ -

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
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	0.00
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 25,058.00
1. Sales Taxes	\$ 513,170.16	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 513,170.16	h. Other	
c. Total (a. + b.)	\$ 513,170.16	i. Total (a. through h.)	\$ 25,058.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 44,997.61	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 3,919.71	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 3,919.71	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 48,917.32	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
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: