

**Town of Fraser
Fraser, Colorado**

**Financial Statements
December 31, 2024**



**Town of Fraser, Colorado
Financial Statements
December 31, 2024**

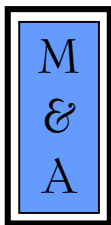
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MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

WEB SITE: WWW.MCMAHANCPA.COM

MAIN OFFICE: (970) 845-8800

INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Board of Trustees
Town of Fraser, Colorado**

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Fraser (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 ("U.S. GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
To the Honorable Mayor and Board of Trustees
Town of Fraser

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

U.S. GAAP require the Management's Discussion and Analysis in section B, 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.

INDEPENDENT AUDITOR'S REPORT
To the Honorable Mayor and Board of Trustees
Town of Fraser

Required Supplementary Information (continued)

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

Supplementary Information

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

The 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
July 28, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS



Town of Fraser, Colorado

Management's Discussion and Analysis

December 31, 2024

As management of the Town of Fraser, Colorado, ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2024.

The Town provides a high level of local government service and availability to the community including operation of the Town's water and wastewater systems, a public works department that provides for street maintenance, snow removal and management, park and open space preservation, public building and facility management and maintenance. Our planning department provides support for both our business/economic sectors in addition to community development support, all while maintaining our small town character in the bigger mountain resort community that we are a part of. The Town currently acts as the manager of the Upper Fraser Valley Wastewater Treatment Facility – providing both the operational expertise and financial management of the facility for the three member organizations who share the plant. In addition, the Town participates in a joint Fraser/Winter Park Police Department and a joint Winter Park/Fraser/Granby Building Services Department.

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 include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected revenues such as grants or 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, public safety, public works, and culture and recreation. The business-type activities of the Town include water production, water distribution system operation and maintenance, and the operation and maintenance of the Town's wastewater collection system.

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

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental 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. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The fund financial statements for the governmental funds are shown on pages C3 and C5.

The Town's Budget includes the following governmental funds:

- General Fund (GF), which provides for the general functions and services such as administration, planning, law enforcement, streets and properties.
- Capital Asset Fund (CAF), which is intended to fund long term maintenance of capital assets (streets, buildings, parks, trails, etc.). The CAF is consolidated with the GF in the financial statements.
- Restricted Revenue Fund (RRF), which is funded by a dedicated sales tax to be used for transportation, trails, and capital project expenditures.
- Fraser Housing Authority Fund (HAF), the HAF is funded by short term rental permit fees to support workforce housing.
- Debt Service Fund (DSF), which provides for bonded debt service payments.
- Conservation Trust Fund (CTF), which is funded by lottery proceeds and provides for open space and recreational related capital projects.
- Capital Equipment Replacement Fund (CERF), which provides for vehicle and heavy equipment purchases.

The Town adopts an annually appropriated budget for all governmental funds. A budgetary comparison statement has been provided all funds listed above to demonstrate compliance with the State budget statutes. These are included in Sections E and F.

Proprietary funds: The Town maintains two 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 an enterprise fund to account for its water operations and one to account for its wastewater operations, which was established on December 31, 2009 by the dissolution of the Fraser Sanitation District.

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 Town's Budget includes the following enterprise funds:

- Water Fund (WF), an enterprise fund for the Town's water utility.
- Wastewater Fund (WWF), an enterprise fund for the Town's wastewater utility.

The basic proprietary fund financial statements can be found on pages C7 through C9 of this report. The Town also presents a budgetary comparison for its proprietary funds on pages F3 and F4.

Fiduciary fund: As managers of the Upper Fraser Valley Wastewater Treatment Plant ("UFVWWTP"), the Town operates the Joint Facilities Fund ("JFF") as a fiduciary fund to account for the operations and maintenance of the facility along any capital expenditures related to the plant.

Overview of the Financial Statements (continued)

The Water Fund holds its portion of the JFF Operations and Maintenance (O&M) and the JFF Capital Replacement Reserve (CRR), both of which provide for operations and capital projects at the Wastewater Treatment Plant. The JFF activity is found on pages C10, C11, and F5.

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 at Section D of this report.

The largest portion of the Town's assets are reflected in the investment in capital assets (i.e. land, streets, buildings, improvements, and equipment). Capital assets account for 58% of the total assets of \$60,349,542. The Town uses these assets to provide services to its citizens. The Town has to pay liabilities out of the remaining liquid assets. The Town also has assets that are considered restricted for a variety of purposes. Accordingly, these assets are not an available source for payment of future spending, other than as restricted. The Town shows the detail of restricted net position below on page B4 and also on page D18 of the footnotes.

Government-wide Fund Analysis

Financial Highlights

- On a short-term view, the Town's governmental fund balances decreased by \$379,918 in 2024. The Town's General Fund balance decreased by \$776,216.
- On a long-term view (including depreciation and excluding capital outlay, etc.) the Town had a 4% or \$2,045,360 increase in net position from \$54,830,692 to \$56,876,052.

"Net Position" for the Town refers to both the governmental and business-type (Water Fund ("WF") and Wastewater Fund ("WWF")) activities. The business-type activities (WF & WWF) had an increase in net position of \$62,448, while the governmental activities had an increase in net position of \$1,982,912.

The "long-term" view includes depreciation expense. The schedule the Town uses to depreciate its assets is on page D6 and the corresponding schedules for depreciation and additions to capital assets (capital outlay) is on pages D15 - D16. It's important to review the depreciation schedule and compare it to the age of the assets being depreciated. Annual depreciation expense for streets exceeds \$725,000 and there is no designated revenue source or reserves associated with this asset. Annual depreciation expense on water and wastewater assets exceeds \$1,00,000, with almost \$600,000 of that depreciation relating to underground utilities. Over half the Town's underground utilities have exceeded their depreciation life cycle. At December 31, 2024, the Fraser Town Board has many committed reserves in its General Fund and both of its Enterprise Funds, along with a reserve for unforeseen Joint Facility emergencies. These reserves will allow the Town to meet its short-term obligations for safe, reliable and sustainable water and wastewater systems. Available resources will be freed up in the Budget to address annual street maintenance. The Town continues to allow for additional growth in utilities and streets, while the issue of the cost of maintenance reflected by service fees and GF revenues remains a community concern.

Government-wide Fund Analysis (continued)

The Town's restricted net position for 2024 is shown in the following schedule:

	Balance			Balance
	1/1/24	Additions	Deletions	12/31/24
General Fund:				
Fees in lieu of Park	\$ 6,379	1,826	-	8,205
Affordable housing impact fee	647,736	-	-	647,736
Emergency reserves	353,000	-	(39,000)	314,000
Conservation Trust Fund	40,241	12,385	-	52,626
Restricted Revenue Fund	1,908,655	1,355,094	(1,137,216)	2,126,533
Wastewater Fund				
Operating reserve	55,507	57	-	55,564
Capital replacement reserve	511,050	144,237	(141,695)	513,592
	<u>\$ 3,522,568</u>	<u>1,513,599</u>	<u>(1,317,911)</u>	<u>3,718,256</u>

The following shows the Town's net position for 2024:

Town of Fraser's Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	Restated 2023	2024	2023
Assets:						
Current and other assets	\$15,848,196	15,948,588	9,456,862	8,732,069	25,305,058	24,680,657
Capital assets	14,843,025	12,452,180	20,201,459	21,103,171	35,044,484	33,555,351
Total Assets	<u>30,691,221</u>	<u>28,400,768</u>	<u>29,658,321</u>	<u>29,835,240</u>	<u>60,349,542</u>	<u>58,236,008</u>
Liabilities:						
Other liabilities	1,561,079	1,310,055	270,078	200,887	1,831,157	1,510,942
Long-term liabilities outstanding	61,802	33,787	35,100	20,258	96,902	54,045
Total Liabilities	<u>1,622,881</u>	<u>1,343,842</u>	<u>305,178</u>	<u>221,145</u>	<u>1,928,059</u>	<u>1,564,987</u>
Deferred Inflows of Resources:						
Other revenue	-	-	830,900	1,154,300	830,900	1,154,300
Property taxes	714,531	686,029	-	-	714,531	686,029
Total Deferred Inflows of Resources	<u>714,531</u>	<u>686,029</u>	<u>830,900</u>	<u>1,154,300</u>	<u>1,545,431</u>	<u>1,840,329</u>
Net Position:						
Net investment in capital assets	14,843,025	12,452,180	20,201,459	21,103,171	35,044,484	33,555,351
Restricted	3,149,100	2,884,325	569,156	566,559	3,718,256	3,450,884
Unrestricted	10,361,684	11,034,392	7,751,628	6,790,065	18,113,312	17,824,457
Total Net Position	<u>\$28,353,809</u>	<u>26,370,897</u>	<u>28,522,243</u>	<u>28,459,795</u>	<u>56,876,052</u>	<u>54,830,692</u>

Government-wide Financial Analysis (continued)

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

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

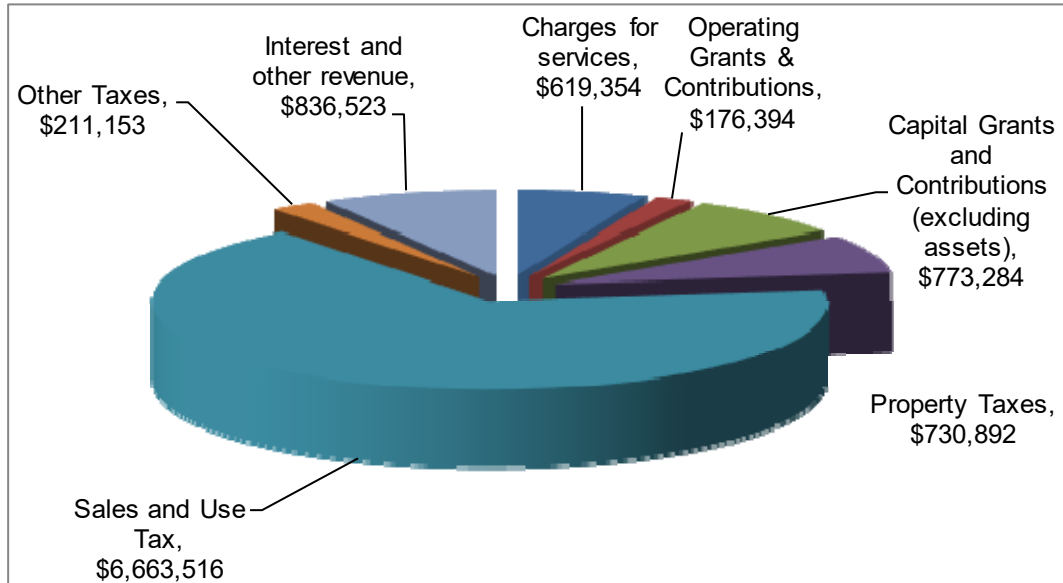
Town of Fraser's Change in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	Restated 2023	2024	2023
REVENUES:						
Program revenues:						
Charges for services	\$619,354	697,002	2,383,316	2,223,640	3,002,670	2,920,642
Operating grants and contributions	176,394	214,324	372,367	-	548,761	214,324
Capital grants and contributions	773,284	363,876	260,440	804,280	1,033,724	1,168,156
General revenues:						
Property taxes	730,892	462,794	-	-	730,892	462,794
Sales and Use taxes	6,663,516	6,619,883	-	-	6,663,516	6,619,883
Other taxes	211,153	185,293	-	-	211,153	185,293
Interest and other revenue	836,523	717,313	418,506	473,554	1,255,029	1,190,867
Total Revenues	10,011,116	9,260,485	3,434,629	3,501,474	13,445,745	12,761,959
EXPENSES:						
General government	4,074,307	3,952,337	-	-	4,074,307	3,952,337
Culture and recreation	277,619	737,292	-	-	277,619	737,292
Public safety	990,845	1,250,968	-	-	990,845	1,250,968
Public works	2,685,433	2,390,136	-	-	2,685,433	2,390,136
Interest	-	-	-	-	-	-
Water	-	-	1,642,216	1,297,604	1,642,216	1,297,604
Wastewater	-	-	1,729,965	1,611,072	1,729,965	1,611,072
Total Expenses	8,028,204	8,330,733	3,372,181	2,908,676	11,400,385	11,239,409
Change in Net Position	1,982,912	929,752	62,448	592,798	2,045,360	1,522,550
Net Position-Jan 1	26,370,897	25,441,145	28,459,795	27,866,997	54,830,692	53,308,142
Net Position - December 31	\$28,353,809	26,370,897	28,522,243	28,459,795	56,876,052	54,830,692

Governmental activities: Governmental activities increased the Town's net position by \$1,982,912 during 2024, as compared to an increase in net position of \$929,752 during 2023. The following are the major elements of the change in net position of governmental activities from December 31, 2023 to December 31, 2024:

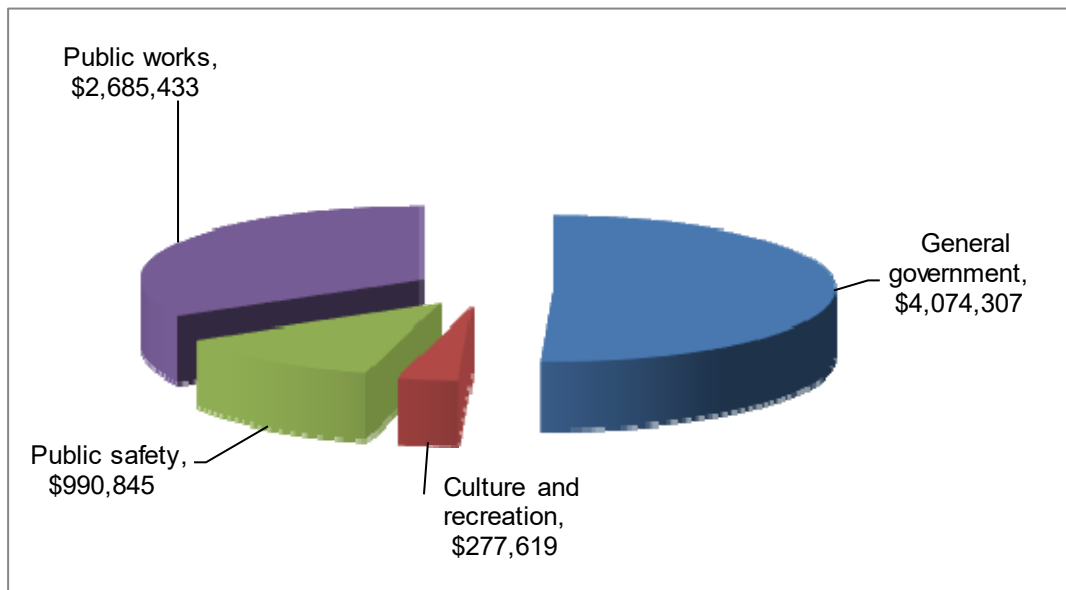
- Property taxes increased significantly compared to prior year due to rising assessed valuations.
- Interest revenues increased significantly with improved market interest rates.

Government-wide Financial Analysis (continued)

The following is a graph of the Town's governmental activities revenues by source for 2024. The Town continues to be challenged by its dependence on the very volatile resort based sales tax revenues. Fortunately, the Town has the grocery, hardware, and department stores within its municipal boundaries. The Town will continue to help the local business community, attract and develop a more varied mixture of vendors appealing to both the community's residents and resort vacationers.



The following is a graph of the Town's governmental activities expenditures by function for 2024.

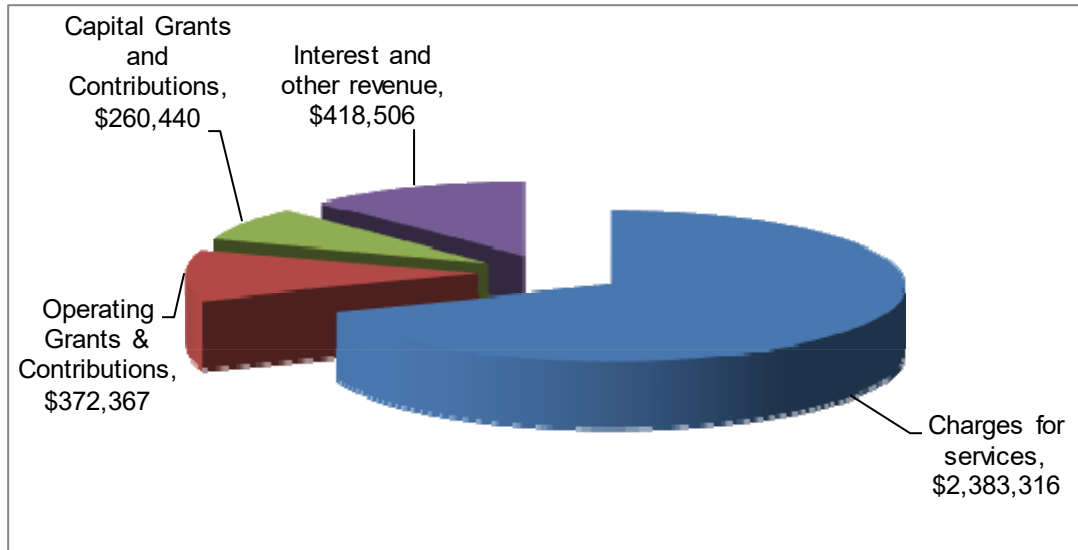


Government-wide Financial Analysis (continued)

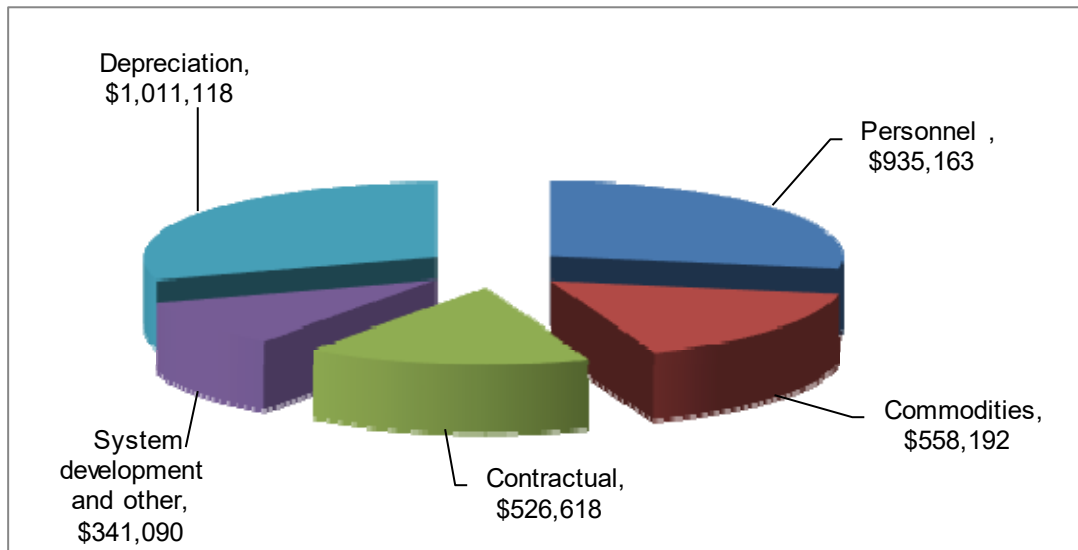
Business-type activities: Business-type activities (water and wastewater, collection and treatment) resulted in an increase in the Town's net position of \$62,448. Key elements of this change are as follows:

- Within the Water and Wastewater Funds and in the Town's portion of the JFF assets, depreciation expense on capitalized assets of \$1,011,118 accounted for 30% of total operating expenses.
- Charges for our customer's water and wastewater services accounted for 98% of total operating revenues.

The following is a graph of the business-type revenues by source for 2024.



The following is a graph of the business-type expenses by function for 2024.



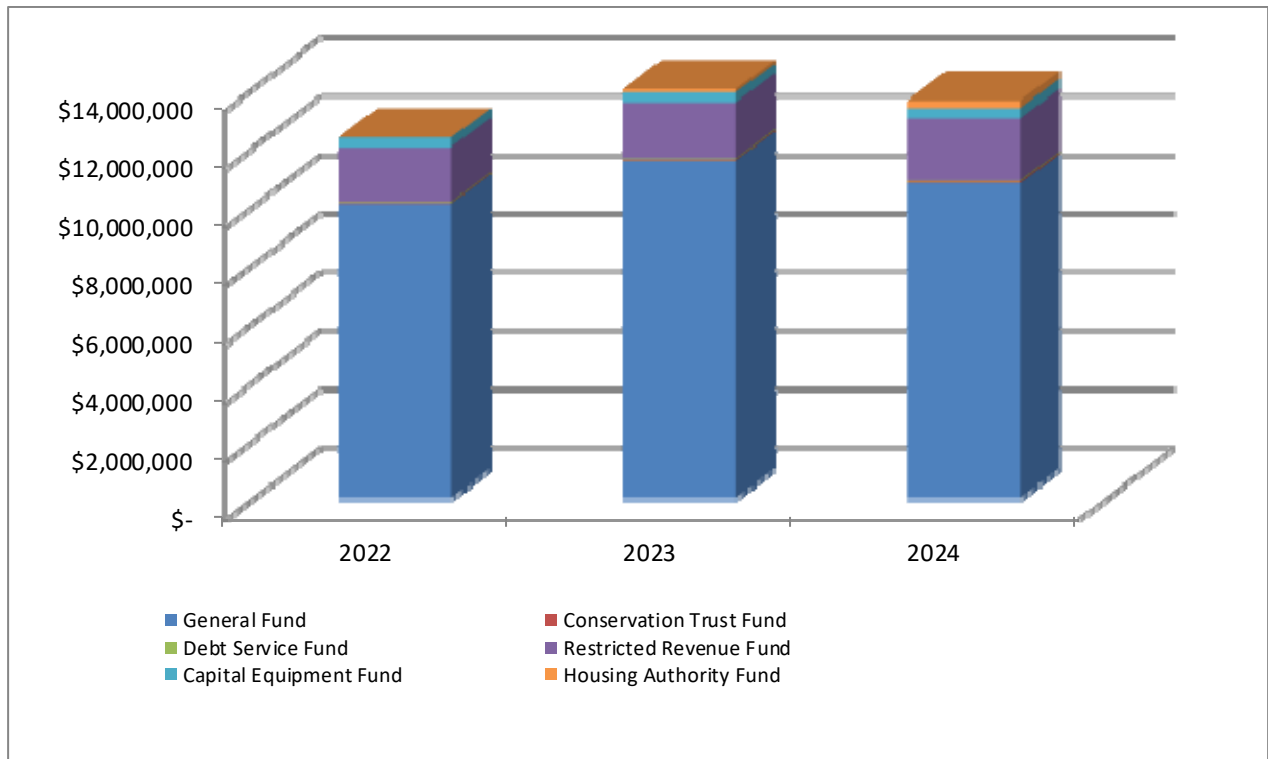
Financial Analysis of the Town's Funds

As mentioned on page B2 of this analysis, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Financial Analysis of the Town's Funds (continued)

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,572,586; the funds decreased \$379,918 from the prior year's ending balances. The Town's governmental fund balances for 2024 and the past two years are graphed as follows:



Proprietary funds: The Town's proprietary funds (Water and Wastewater Funds) provide the same type of information found in the government-wide financial statements, but in more detail.

The proprietary funds' total cash is available for spending at the Town's discretion. At the end of 2024 the Town Board reserved multiple amounts and designated them as committed reserves for emergencies in both our operations and maintenance and also for capital emergencies. Reserves are recognized in-house and are outlined earlier in this discussion.

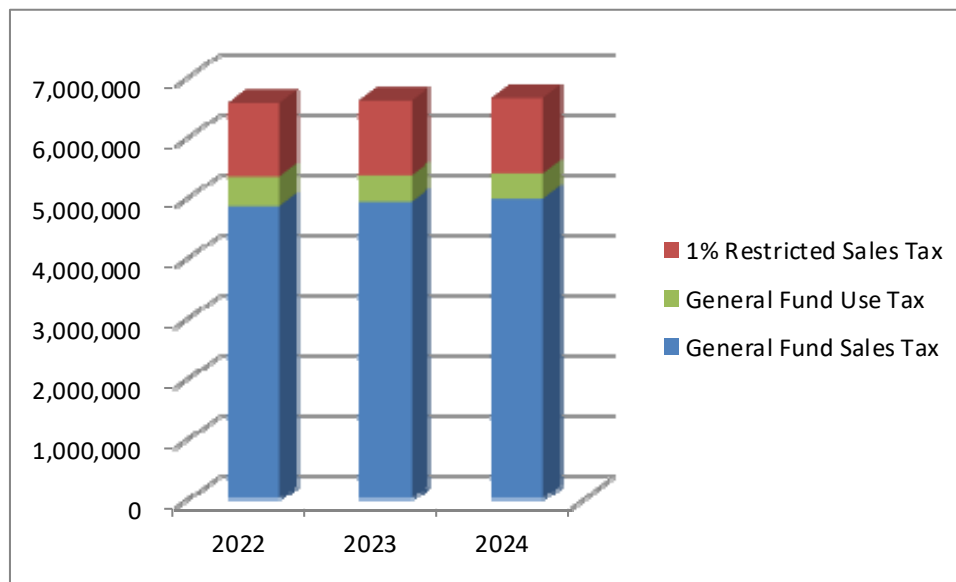
Budget Variances in the General Fund: The Town had the following significant budget variances which are detailed as follows:

<u>Pos. (Neg.)</u>	<u>Account</u>	<u>Reason</u>
Revenues:		
\$ 878,638	Sales & use taxes	Conservative budgeting due to various economic factors.
(1,628,542)	Grant revenue	Timing of grant reimbursements received for Victoria Village.
147,517	Earnings on deposits	Market federal interest rates increased significantly.
Expenditures:		
General Government:		
(102,678)	Administrative salaries	Allocation of salaries changed from budget
329,228	Public Safety	Allocation of salaries changed from budget
Public Works		
264,999	Salaries and benefits	Allocation of salaries changed from budget
155,590	Property management	Less than anticipated repairs.

Capital assets: The Town’s government-wide capital assets, net of accumulated depreciation, increased due largely due to increases in capital additions. Additional information as well as a detailed classification of the Town’s net capital assets can be found in the Notes to the Financial Statements on pages D15 - D17 of this report.

Long-term obligations: As of the end of 2024, the Town had \$96,902 in long-term obligations for accrued compensated absences. Additional information regarding the Town’s debt can be found on pages D18 – D19 of this report.

Sales and Use Taxes: The Town has sales and use taxes that are used to fund its governmental operations. The Town’s sales and use taxes changed from a total of \$6,619,883 in 2023 to \$6,663,516 in 2024. The following chart indicates changes in the taxes collections:



The Town's sales and use tax collections increased over the past years. Sales tax receipts increased 1% from 2023 to 2024 and the new 1% restricted sales tax generated \$1,244,878.

Next year's budget and rates: The Town's General Fund balance at the end of the current fiscal year was \$10,741,422. The Town's 2025 budget anticipates decreasing the General Fund balance by \$3,297,529. It is anticipated that this budgeted reduction in fund balance will decrease by year end due to under spending budgeted amounts as well as surpassing revenue projections.

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 the Town of Fraser, Finance Manager, P.O. Box 120, Fraser, Colorado 80442-0120.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Fraser, Colorado
Statement of Net Position
For the Year Ended December 31, 2024

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and investments - Unrestricted	13,308,940	8,147,400	21,456,340
Accounts, taxes, and interest receivables	2,539,256	740,306	3,279,562
Due from fiduciary fund	-	569,156	569,156
Capital assets, net	14,843,025	20,201,459	35,044,484
Total Assets	<u>30,691,221</u>	<u>29,658,321</u>	<u>60,349,542</u>
Liabilities:			
Accounts payable	1,490,600	185,755	1,676,355
Due to fiduciary fund	32,900	-	32,900
Other liabilities	37,579	84,323	121,902
Accrued compensated absences	61,802	35,100	96,902
Total Liabilities	<u>1,622,881</u>	<u>305,178</u>	<u>1,928,059</u>
Deferred Inflows of Resources:			
Other revenue	-	830,900	830,900
Property taxes	714,531	-	714,531
Total Deferred Inflows of Resources	<u>714,531</u>	<u>830,900</u>	<u>1,545,431</u>
Net Position:			
Net investment in capital assets	14,843,025	20,201,459	35,044,484
Restricted	3,149,100	569,156	3,718,256
Unrestricted	10,361,684	7,751,628	18,113,312
Total Net Position	<u>28,353,809</u>	<u>28,522,243</u>	<u>56,876,052</u>

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

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

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Governmental activities:							
General government	4,074,307	619,354	110,667	771,458	(2,572,828)	-	(2,572,828)
Culture and recreation	277,619	-	-	1,826	(275,793)	-	(275,793)
Public safety	990,845	-	-	-	(990,845)	-	(990,845)
Public works	2,685,433	-	65,727	-	(2,619,706)	-	(2,619,706)
Total governmental activities	8,028,204	619,354	176,394	773,284	(6,459,172)	-	(6,459,172)
Business-type activities:							
Water	1,642,216	1,319,830	-	114,190	-	(208,196)	(208,196)
Wastewater	1,729,965	1,063,486	372,367	146,250	-	(147,862)	(147,862)
Total business-type activities	3,372,181	2,383,316	372,367	260,440	-	(356,058)	(356,058)
Total	11,400,385	3,002,670	548,761	1,033,724	(6,459,172)	(356,058)	(6,815,230)
General revenues:							
Taxes:							
Property tax					730,892	-	730,892
Specific ownership tax					30,672	-	30,672
General sales and use tax					6,663,516	-	6,663,516
Franchise tax					173,806	-	173,806
Other miscellaneous taxes					6,675	-	6,675
Investment earnings					746,630	413,993	1,160,623
Miscellaneous					89,893	4,513	94,406
Total general revenues					8,442,084	418,506	8,860,590
Change in Net Position					1,982,912	62,448	2,045,360
Net Position - Beginning of Year (restated)					26,370,897	28,459,795	54,830,692
Net Position - End of Year					28,353,809	28,522,243	56,876,052

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

FUND FINANCIAL STATEMENTS



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

	<u>General</u>	<u>Debt Service</u>	<u>Conservation Trust</u>	<u>Capital Equipment Replacement</u>	<u>Restricted Revenue</u>	<u>Housing Authority</u>	<u>Downtown Development Authority</u>	<u>Total Governmental Funds</u>
Assets:								
Cash and investments - Unrestricted	10,459,394	39,990	52,626	354,086	2,137,815	251,536	13,493	13,308,940
Receivables	651,076	-	-	-	-	-	-	651,076
Due from other governments	49,798	-	-	-	-	-	-	49,798
Taxes receivable	1,613,612	-	-	-	224,770	-	-	1,838,382
Total Assets	<u>12,773,880</u>	<u>39,990</u>	<u>52,626</u>	<u>354,086</u>	<u>2,362,585</u>	<u>251,536</u>	<u>13,493</u>	<u>15,848,196</u>
Liabilities and Fund Equity:								
Liabilities:								
Accounts/vouchers payable	1,247,448	-	-	-	236,052	-	7,100	1,490,600
Due to fiduciary fund	32,900	-	-	-	-	-	-	32,900
Other liabilities	37,579	-	-	-	-	-	-	37,579
Total Liabilities	<u>1,317,927</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>236,052</u>	<u>-</u>	<u>7,100</u>	<u>1,561,079</u>
Deferred Inflows of Resources:								
Property taxes	714,531	-	-	-	-	-	-	714,531
Total Deferred Inflows of Resources	<u>714,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>714,531</u>
Fund Balances:								
Nonspendable	651,076	-	-	-	-	-	-	651,076
Spendable								
Restricted	969,941	-	52,626	-	2,126,533	-	-	3,149,100
Committed	1,500,000	39,990	-	354,086	-	251,536	6,393	2,152,005
Assigned	4,797,529	-	-	-	-	-	-	4,797,529
Unassigned	2,822,876	-	-	-	-	-	-	2,822,876
Total Fund Balances	<u>10,741,422</u>	<u>39,990</u>	<u>52,626</u>	<u>354,086</u>	<u>2,126,533</u>	<u>251,536</u>	<u>6,393</u>	<u>13,572,586</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>12,773,880</u>	<u>39,990</u>	<u>52,626</u>	<u>354,086</u>	<u>2,362,585</u>	<u>251,536</u>	<u>13,493</u>	<u>15,848,196</u>

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

Town of Fraser, Colorado
Reconciliation of Governmental Fund Balance to Governmental
Activities Net Position
December 31, 2024

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

Governmental Fund Balance	13,572,586
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	14,843,025
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(61,802)</u>
Net Position of Governmental Activities	<u><u>28,353,809</u></u>

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

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

	General	Debt Service	Conservation Trust	Capital Equipment Replacement	Restricted Revenue	Housing Authority	Downtown Development Authority	Total Governmental Funds
Revenues:								
Taxes	6,360,683	-	-	-	1,244,878	-	-	7,605,561
Licenses and permits	198,259	-	-	-	-	-	-	198,259
Charges for services	243,671	-	-	-	-	179,250	-	422,921
Intergovernmental revenue	771,458	-	9,251	65,727	-	-	-	846,436
Investment income	614,223	1,950	3,134	17,106	110,216	-	-	746,629
Miscellaneous	191,309	-	-	-	-	-	-	191,309
Total Revenues	8,379,603	1,950	12,385	82,833	1,355,094	179,250	-	10,011,115
Expenditures:								
General government	2,841,718	-	-	-	1,137,216	42,725	23,607	4,045,266
Public safety	951,632	-	-	-	-	-	-	951,632
Public works	1,802,617	-	-	-	-	-	-	1,802,617
Culture and recreation	245,035	-	-	-	-	-	-	245,035
Capital outlay	3,284,817	-	-	61,666	-	-	-	3,346,483
Total Expenditures	9,125,819	-	-	61,666	1,137,216	42,725	23,607	10,391,033
Excess (Deficiency) of Revenues Over Expenditures	(746,216)	1,950	12,385	21,167	217,878	136,525	(23,607)	(379,918)
Other Financing Sources (Uses):								
Transfers in (out)	(30,000)	-	-	-	-	-	30,000	-
Lease and bond proceeds	-	-	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(30,000)	-	-	-	-	-	30,000	-
Net Change in Fund Balances	(776,216)	1,950	12,385	21,167	217,878	136,525	6,393	(379,918)
Fund Balances - Beginning of Year	11,517,638	38,040	40,241	332,919	1,908,655	115,011	-	13,952,504
Fund Balances - End of Year	10,741,422	39,990	52,626	354,086	2,126,533	251,536	6,393	13,572,586

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

Town of Fraser, Colorado
Reconciliation of Net Change in Fund Balances to Change in Net
Position of Governmental Activities
For the Year Ended December 31, 2024

Net Change in Fund Balances of Governmental Funds (379,918)

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, net of capital disposals during the year. 2,390,845

Accrued liabilities for accrued compensated absences are not an expenditure in the governmental funds, but are increases in long-term liabilities in the Statement of Net Position. This is the amount that accrued compensated absences changed. (28,015)

Change in Net Position of Governmental Activities 1,982,912

Town of Fraser, Colorado
Statement of Net Position
Enterprise Funds
For the Year Ended December 31, 2024

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total Enterprise Funds</u>
Assets:			
Current assets:			
Cash and cash equivalents	2,746,168	5,401,232	8,147,400
Utility receivables	386,172	346,528	732,700
Plant investment fee receivables	5,133	-	5,133
Other receivables	-	2,473	2,473
Due (to) from fiduciary fund	-	569,156	569,156
Total Current Assets	<u>3,137,473</u>	<u>6,319,389</u>	<u>9,456,862</u>
Non-current assets:			
Land	100,000	144,320	244,320
Water rights	657,860	-	657,860
Equipment	424,788	158,572	583,360
Treatment plant and system	16,424,325	20,151,630	36,575,955
Less: Accumulated depreciation	<u>(8,317,889)</u>	<u>(9,542,147)</u>	<u>(17,860,036)</u>
Total Non-Current Assets	<u>9,289,084</u>	<u>10,912,375</u>	<u>20,201,459</u>
Total Assets	<u>12,426,557</u>	<u>17,231,764</u>	<u>29,658,321</u>
Liabilities and Fund Equity:			
Liabilities:			
Current liabilities:			
Vouchers/accounts payable	-	185,755	185,755
Deposits payable	84,323	-	84,323
Total Current Liabilities	<u>84,323</u>	<u>185,755</u>	<u>270,078</u>
Non-current liabilities:			
Accrued compensated absences	15,094	20,006	35,100
Total Liabilities	<u>99,417</u>	<u>205,761</u>	<u>305,178</u>
Deferred Inflows of Resources:			
Other revenue	830,900	-	830,900
Total Deferred Inflows of Resources	<u>830,900</u>	<u>-</u>	<u>830,900</u>
Net Position:			
Net investment in capital assets	9,289,084	10,912,375	20,201,459
Restricted	-	569,156	569,156
Unrestricted	2,207,156	5,544,472	7,751,628
Total Net Position	<u>11,496,240</u>	<u>17,026,003</u>	<u>28,522,243</u>

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

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

	<u>Water</u>	<u>Wastewater</u>	<u>Total Enterprise Funds</u>
Operating Revenues:			
Charges for services	1,287,678	1,063,486	2,351,164
Meter sales	32,152	-	32,152
Miscellaneous revenue	4,513	-	4,513
Total Operating Revenues	<u>1,324,343</u>	<u>1,063,486</u>	<u>2,387,829</u>
Operating Expenses:			
Personnel	450,101	485,063	935,164
Commodities	335,068	206,110	541,178
Contractual	100,498	426,121	526,619
System development	358,102	-	358,102
Depreciation	398,447	612,671	1,011,118
Total Operating Expenses	<u>1,642,216</u>	<u>1,729,965</u>	<u>3,372,181</u>
Operating Income (Loss)	<u>(317,873)</u>	<u>(666,479)</u>	<u>(984,352)</u>
Non-Operating Revenues:			
Grants	-	372,367	372,367
Interest revenue	144,473	269,520	413,993
Net Non-Operating Revenues	<u>144,473</u>	<u>641,887</u>	<u>786,360</u>
Income (Loss) before Contributions and Transfers	<u>(173,400)</u>	<u>(24,592)</u>	<u>(197,992)</u>
Capital contributions	114,190	146,250	260,440
Contributions and Transfers	<u>114,190</u>	<u>146,250</u>	<u>260,440</u>
Change in Net Position	(59,210)	121,658	62,448
Net Position - Beginning of Year (restated)	<u>11,555,450</u>	<u>16,904,345</u>	<u>28,459,795</u>
Net Position - End of Year	<u><u>11,496,240</u></u>	<u><u>17,026,003</u></u>	<u><u>28,522,243</u></u>

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

Town of Fraser, Colorado
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2024

	Water	Wastewater	Total Enterprise Funds
Cash Flows From Operating Activities:			
Cash received from customers	1,270,187	1,006,585	2,276,772
Other cash received	-	42,472	42,472
Cash received (paid) for deposits	42,549	49,703	92,252
Cash payments for goods and services	(793,668)	(605,592)	(1,399,260)
Cash payments for salaries and benefits	(443,400)	(476,921)	(920,321)
Net Cash Provided (Used) by Operating Activities	<u>75,668</u>	<u>16,247</u>	<u>91,915</u>
Cash Flows From Non-Capital and Related Financing Activities:			
Cash received from grants and contributions	-	374,002	374,002
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	<u>-</u>	<u>374,002</u>	<u>374,002</u>
Cash Flows From Capital and Related Financing Activities:			
Plant investment fees (paid) received	(24,410)	326,250	301,840
Cash (paid) for assets	(17,012)	(92,394)	(109,406)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(41,422)</u>	<u>233,856</u>	<u>192,434</u>
Cash Flows From Investing Activities:			
Interest	144,473	269,520	413,993
Net Cash Provided (Used) by Investing Activities	<u>144,473</u>	<u>269,520</u>	<u>413,993</u>
Net (Decrease) Increase in Cash and Cash Equivalents	178,719	893,625	1,072,344
Cash and Cash Equivalents - Beginning of Year	<u>2,567,449</u>	<u>4,507,607</u>	<u>7,075,056</u>
Cash and Cash Equivalents - End of Year	<u><u>2,746,168</u></u>	<u><u>5,401,232</u></u>	<u><u>8,147,400</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	<u>(317,873)</u>	<u>(666,479)</u>	<u>(984,352)</u>
Adjustments:			
Depreciation	398,447	612,671	1,011,118
(Increase) decrease in accounts receivable	(54,156)	(14,430)	(68,586)
(Increase) decrease in deposits receivable	-	49,704	49,704
Increase (decrease) in accounts payable	-	26,640	26,640
Increase (decrease) in accrued compensated absences	6,701	8,141	14,842
Increase (decrease) in deposits payable	42,549	-	42,549
Total Adjustments	<u>393,541</u>	<u>682,726</u>	<u>1,076,267</u>
Net Cash Provided (Used) by Operating Activities	<u><u>75,668</u></u>	<u><u>16,247</u></u>	<u><u>91,915</u></u>

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

Town of Fraser, Colorado
Statement of Fiduciary Net Position
December 31, 2024

	Custodial Fund
Assets:	
Cash and cash equivalents	1,210,285
Accounts receivable, net:	595,607
Total Assets	1,805,892
 Liabilities:	
Accounts payable	69,829
Payable to Fraser	2,604
Deposits	1,733,459
Total Liabilities	1,805,892

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

Town of Fraser, Colorado
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2024

	Custodial Fund
Operating Revenues:	
Charges for operations and maintenance costs	1,383,813
Total Operating Revenues	1,383,813
Operating Expenses:	
Salaries and Wages	321,642
Employee Benefits	91,250
Purchased services	706,523
Supplies	45,032
Utilities	219,366
Total Operating Expenses	1,383,813
Change in Net Position	-
Net Position - Beginning	-
Net Position - Ending	-

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

NOTES TO THE FINANCIAL STATEMENTS



Town of Fraser, Colorado
Notes to the Financial Statements
December 31, 2024

I. Summary of Significant Accounting Policies

The Town of Fraser, Colorado (the "Town") is incorporated under Colorado statutes to provide public safety, streets and street maintenance, water and wastewater service, recreation including parks and trails, transportation, special events, planning and zoning, and general administrative services. The Town is located in Grand County and operates under a Council-Manager form of government.

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 road maintenance, water and wastewater service, public safety 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 and 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 that 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.

The accompanying financial statements present the primary government and its component units; entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations. There is one blended component unit reported in the Town's financial statements, the Downtown Development Authority. The authority was established by a general election on May 15, 2024.

B. Government-wide and Fund 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). Government-wide financial statements report on information of all of the activities of the Town. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's public safety, public works, culture and recreation, and administration functions are classified as governmental activities. The Water Fund and Wastewater Fund are classified as business-type activities.

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position are reported in three parts – Net investment in capital assets; Restricted net position; and Unrestricted net position.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's governmental functions and business-type activities. The governmental functions are also supported by general government revenues (sales taxes, property and 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 governmental function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

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

Franchise fees, licenses and interest associated with current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Sales and excise taxes collected by vendors at year end on behalf of the Town are also recognized as revenue if collected within 30 days after year end. Expenditure driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

3. Financial Statement Presentation

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent to the value of the interfund services provided and other charges between the functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the water and wastewater functions.

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 the operation of the water and wastewater systems within the Town. Operating expenses for the enterprise funds includes operating expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Fund Financial Statements

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

The Town reports the following major governmental funds:

General Fund

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

Special Revenue Funds

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

The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

The *Restricted Revenue Fund* accounts for a dedicated sales tax to be used for transportation, trails, and capital project expenditures.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Fund Financial Statements (continued)

The *Housing Authority Fund* accounts for short term rental permit fees used to support affordable housing initiatives.

The *Downtown Development Authority* accounts for the Town's blended component units, which depends on revenues from tax increment financing.

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The *Capital Equipment Replacement Fund* accounts for funds set aside for the purchase and replacement of capital equipment. A significant portion of revenues consists of highway user tax proceeds.

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures of principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

The *Debt Service Fund* accounts for payments made on the Town's bonded debt obligations.

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

The *Water Fund* accounts for the purchase and delivery of water to the citizens of the Town. The Water Fund also maintains the infrastructure needed to provide water service.

The *Wastewater Fund* accounts for the treatment of wastewater from the citizens of the Town. The Wastewater Fund also maintains the infrastructure needed to provide wastewater service.

The Town reports the following fiduciary custodial fund:

The *Joint Facilities ("JF") Operations and Maintenance Fund* accounts for the operations of the Upper Fraser Valley Wastewater Treatment Joint Facilities.

E. Financial Statement Accounts

1. Cash and Cash Equivalents

The Town pools deposits and investments of all funds except JF Operations and Maintenance Fund, which are held in separate accounts. Each fund's share of the pool is readily identified by the Town's internal records. Investments are stated at market value.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

1. Cash and Cash Equivalents (continued)

Cash and cash equivalents include demand deposits, certificates of deposit, local government investment pools (COLOTRUST), and U.S. government-backed securities.

The Town's investment policy permits investments in the following type of obligations which corresponds with state statutes:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Property Taxes

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

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

4. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (only infrastructure acquired after January 1, 2002), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

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

Infrastructure, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	15 - 30
Buildings and improvements	15 - 40
Distribution systems	40
Equipment and vehicles	7

5. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the obligated governmental fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities column in the government-wide financial statements. Vested or accumulated vacation leave of the proprietary fund type is recorded as an expense and liability of that fund as the benefits accrue to employees.

Sick leave is accrued annually at 80 hours a year, and accumulates to a maximum of 400 hours. Sick leave is not payable upon termination. The Town estimates how much of the leave is more likely than not to be used as paid leave and recognizes that portion as a liability for compensated absences.

6. Restricted Assets

Fees collected in lieu of park and open space and affordable housing impact fees are restricted as to their use by Town ordinances.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

7. Deferred Outflows/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 does not have any deferred outflows of resources at December 31, 2024.

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. Accordingly, the deferred inflow, property taxes and other revenues, are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. Categories and Classification of Fund Balance

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

The Town of Fraser classifies governmental fund balances as follows:

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

Spendable:

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.

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 or its management designee.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. Categories and Classification of Fund Balance (continued)

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

9. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

10. Deposits

Deposits on the JF Operations and Maintenance Fund represent contributions made to the JF Operations and Maintenance Fund by Winter Park Ranch Water and Sanitation District ("Winter Park Ranch") and Grand County Water and Sanitation District #1 ("Grand County #1") and the Town (previously the Fraser Sanitation District) for operating and replacement costs relating to the combined wastewater treatment plant. These deposits are held for working capital and replacement costs during the time all members remain joint operators of the plant.

F. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Town's management to make estimates and assumptions that affect the reported amount 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.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

I. Summary of Significant Accounting Policies (continued)

F. Significant Accounting Policies (continued)

2. Credit Risk

Receivables in the Town's funds are primarily due from other governments. Management believes that the credit risk related to these receivables is minimal.

3. Restricted and Unrestricted Resources

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

II. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund Balance Sheet includes reconciliation between *fund balance - total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The \$14,843,024 adjustment represents the net book value of capital assets of \$31,133,686 and accumulated depreciation of \$16,290,661 at December 31, 2024.

Another element of the reconciliation states that "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The \$61,802 reconciling item represents obligation related to accrued compensated absences and capital leases at year end.

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures, but in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. The details of this reconciling amount are capital outlay of \$3,358,465, less depreciation expense of \$967,620, less the disposal of capital assets of \$0 during 2024.

Another element of that reconciliation is \$28,015 which represents the change in accrued compensated absences.

**Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)**

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

1. Budgetary Basis of Accounting

The preparation Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

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

- (1) For the 2024 budget year, prior to August 25, 2023, the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries.
- (2) The Town Manager, or other qualified person appointed by the Board, submitted to the Board, on or before October 15, 2023, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.
- (3) Prior to December 15, 2023, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
- (4) After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2023 were collected in 2024 and taxes certified in 2024 will be collected in 2025. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

The following funds had expenditures in excess of budget, which may be a violation of Colorado budget law.

<u>Fund</u>	<u>Expenditures in excess of budget</u>
Fraser Housing Authority	42,725

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$314,000.

On April 4, 2000, the Town's electorate approved the following: *Without any increase in the property tax mill levy or the 4% sales and use tax rate, shall the Town of Fraser, Colorado, be authorized, in the year 2000 and each subsequent year thereafter, to collect, retain, and expend the full proceeds of the Town's fees, taxes, non-federal grants and other revenues and to spend such revenues for debt service, municipal operations, capital projects, and any other lawful municipal purpose, notwithstanding any state of Colorado restrictions on revenues or spending, including the restrictions of Article X, Section 20 of the Colorado Constitution, the revenue limit in Section 29-1-301 of the Colorado Revised Statutes, or any other law.*

On November 3, 2020, the Town's electorate approved the following: *Without increasing total tax revenues collected, shall the Town of Fraser be authorized to adjust its mill levy annually to offset revenue reductions caused by State imposed changes to the percentage used to determine assessed valuation, including any changes made pursuant to the 1982 Gallagher amendment to the Colorado Constitution, so that, to the extent possible, the revenues generated by such mill levy are the same as the tax revenues that would have been generated had such changes in the method of calculating assessed valuation not occurred?*

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, could require judicial interpretation.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

The Town's checking accounts are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the Town's demand deposits were \$611,007 at year end.

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.

At December 31, 2024, the Town had the following recurring fair value measurements:

Investments Measured at Net Asset Value

Colotrust	\$ 22,055,618
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The Town had the following deposits and investments for all funds, with the following maturities December 31, 2024:

Type:	Rating	Carrying Amount	Maturities	
			Less Than One Year	Less Than Five Years
<i>Deposits:</i>				
Checking Accounts	Not Rated	\$ 381,012	381,012	-
Savings Accounts	Not Rated	229,995	229,995	-
<i>Investments:</i>				
Investment Pools	AAAm	22,055,618	22,055,618	-
		\$ 22,666,625		

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The investment pools represent investments in the Colorado Government Liquid Asset Trust ("COLOTRUST") a 2a7-like pools. Pools are not covered by FDIC insurance or PDPA but are rated AAAM. The fair value of the pools is determined by the pools' share price. The Town has no regulatory oversight for the pools.

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

Credit Risk. Colorado statutes specify instruments in which local governments may invest, including:

- Obligations of the U.S. and certain U.S. governmental agency securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local governmental entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The Town's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. 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:

	Governmental Funds		
	General	Restricted Revenue	Total
Receivables:			
Taxes	\$ 1,613,612	224,770	1,838,382
Accounts	651,076	-	651,076
Intergovernmental	49,798	-	49,798
Gross receivables	2,314,486	224,770	2,539,256
Less: allowance for uncollectible	-	-	-
Net Receivables	\$ 2,314,486	224,770	2,539,256

	Enterprise Funds		
	Water Operations	Wastewater Operations	Total
Receivables:			
Accounts	\$ 391,305	\$ 346,528	\$ 737,833
Other	-	2,473	2,473
Gross receivables	391,305	349,001	740,306
Less: allowance for uncollectible	-	-	-
Net Receivables	\$ 391,305	\$ 349,001	\$ 740,306

Governmental funds report deferred inflow of resources from property taxes in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The receivable is net of \$714,531 of property taxes levied in 2024 but not available until 2025.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 4,532,851	-	-	4,532,851
Construction in progress	233,321	2,584,634	-	2,817,955
Total capital assets, not being depreciated	<u>4,766,172</u>	<u>2,584,634</u>	<u>-</u>	<u>7,350,806</u>
Capital assets, being depreciated:				
Infrastructure	18,837,971	687,114	-	19,525,085
Buildings	1,406,123	-	-	1,406,123
Furniture and equipment	2,764,955	86,717	-	2,851,672
Total capital assets, being depreciated	<u>23,009,049</u>	<u>773,831</u>	<u>-</u>	<u>23,782,880</u>
Less accumulated depreciation for:				
Infrastructure	(11,897,490)	(725,545)	-	(12,623,035)
Buildings	(1,141,240)	(28,906)	-	(1,170,146)
Furniture and equipment	(2,284,311)	(213,169)	-	(2,497,480)
Total accumulated depreciation	<u>(15,323,041)</u>	<u>(967,620)</u>	<u>-</u>	<u>(16,290,661)</u>
Total capital assets, being depreciated, net	<u>7,686,008</u>	<u>(193,789)</u>	<u>-</u>	<u>7,492,219</u>
Governmental activities capital assets, net	<u><u>\$ 12,452,180</u></u>	<u><u>2,390,845</u></u>	<u><u>-</u></u>	<u><u>14,843,025</u></u>

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 244,320	-	-	244,320
Water rights	657,860	-	-	657,860
Total capital assets, not being depreciated	<u>902,180</u>	<u>-</u>	<u>-</u>	<u>902,180</u>
Capital assets, being depreciated:				
System and improvements	24,821,956	17,012	-	24,838,968
Buildings and improvements	11,660,096	76,892	-	11,736,988
Equipment	567,858	15,502	-	583,360
Total capital assets, being depreciated	<u>37,049,910</u>	<u>109,406</u>	<u>-</u>	<u>37,159,316</u>
Less accumulated depreciation for:				
System and improvements	(12,803,600)	(654,472)	-	(13,458,072)
Buildings and improvements	(3,653,957)	(337,488)	-	(3,991,445)
Equipment	(391,362)	(19,158)	-	(410,520)
Total accumulated depreciation	<u>(16,848,919)</u>	<u>(1,011,118)</u>	<u>-</u>	<u>(17,860,037)</u>
Total capital assets, being depreciated, net	<u>20,200,991</u>	<u>(901,712)</u>	<u>-</u>	<u>19,299,279</u>
Business-type activities capital assets, net	<u>\$ 21,103,171</u>	<u>(901,712)</u>	<u>-</u>	<u>20,201,459</u>

The Town had the following capital outlay and depreciation expense for the following functions:

	<u>Depreciation Expense</u>	<u>Capital Outlay</u>
Governmental activities:		
General government	\$ 30,606	2,584,634
Public works, including infrastructure	865,217	597,879
Public safety	39,213	23,391
Culture and recreation	32,584	152,561
Total governmental activities	<u>\$ 967,620</u>	<u>3,358,465</u>
Business-type activities:		
Water	\$ 398,447	17,012
Wastewater	612,671	92,394
Total business-type activities	<u>\$ 1,011,118</u>	<u>109,406</u>

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables, and Transfers

There was no interfund activity at year end.

E. Other Liabilities

1. Accrued Compensated Absences

Earned but unused vacation and sick benefits amounted to \$96,902 at December 31, 2024.

2. Schedule of Changes in Long-term Debt

	<u>Balance 1/1/24</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/24</u>	<u>Due Within One Year</u>
Governmental activities:					
Accrued compensated absences	\$ 33,786	28,016	-	\$ 61,802	15,451
Total	<u>\$ 33,786</u>	<u>28,016</u>	<u>-</u>	<u>\$ 61,802</u>	<u>15,451</u>
Business-type activities:					
Accrued compensated absences	\$ 20,258	14,842	-	\$ 35,100	8,775
Total	<u>\$ 20,258</u>	<u>14,842</u>	<u>-</u>	<u>\$ 35,100</u>	<u>8,775</u>

F. Restricted Fund Balance

The Town had the following restrictions on the fund balances at December 31, 2024:

	<u>Balance 1/1/24</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/24</u>
General Fund:				
Fees in lieu of Park	\$ 6,379	1,826	-	8,205
Affordable housing impact fee	647,736	-	-	647,736
Emergency reserves	353,000	-	(39,000)	314,000
Conservation Trust Fund	40,241	12,385	-	52,626
Restricted Revenue Fund	1,908,655	1,355,094	(1,137,216)	2,126,533
Wastewater Fund				
Operating reserve	55,507	57	-	55,564
Capital replacement reserve	511,050	144,237	(141,695)	513,592
	<u>\$ 3,522,568</u>	<u>1,513,599</u>	<u>(1,317,911)</u>	<u>3,718,256</u>

The Town had \$638,528 restricted in the Wastewater Fund for Upper Fraser Valley Wastewater Treatment Joint Facilities operating and capital replacement expenses.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Committed Fund Balance

The Town has the following commitments of the governmental fund balances at December 31, 2024:

	Balance 1/1/24	Additions	Deletions	Balance 12/31/24
General Fund:				
Reserve savings	\$ 1,500,000	-	-	1,500,000
Debt Service Fund:				
Capital projects	38,040	1,950	-	39,990
Capital Equipment Replacement:				
Capital projects	332,919	21,167	-	354,086
Fraser Housing Authority:				
Capital projects	115,011	136,525	-	251,536
Downtown Development Authority:				
Capital projects	-	6,393	-	6,393
	<u>\$ 1,985,970</u>	<u>166,035</u>	<u>-</u>	<u>2,152,005</u>

H. Assigned Fund Balance

The Town had the following assignments of the governmental fund balances at December 31, 2024:

	Balance 1/1/24	Additions	Deletions	Balance 12/31/24
General Fund:				
Future budget deficit	\$ 767,705	2,529,824	-	3,297,529
Strategic reserves	1,500,000	-	-	1,500,000
	<u>\$ 2,267,705</u>	<u>2,529,824</u>	<u>-</u>	<u>4,797,529</u>

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information

A. Joint Facilities (“JF”) Operations and Maintenance Fund

In 2002, the Fraser Sanitation District (the “District”), Winter Park Ranch, and Grand County #1 entered into an agreement to participate in the joint construction, maintenance, and operations of joint interceptor sewer lines and joint sewage treatment facilities. This new wastewater treatment plant has been constructed on the existing plant site of the District/Winter Park Ranch treatment facility and a new and/or expanded sewer trunk line from Grand County #1 will connect with the existing District/Winter Park Ranch interceptor line. Title of the new joint facilities will be allocated among these three members based on each member’s proportionate share of equivalent residential units to be serviced by the new plant. The District was dissolved into the Town effective December 31, 2009.

Construction costs of these new facilities, excluding expenses relating to segment B of the joint trunk lines (“B-Line”) described below, are based on each member’s future share of equivalent residential units to be serviced by the new plant and are allocated as follows:

Town – 34.07%
Winter Park Ranch – 28.89%
Grand County #1 – 37.04%

Under the Upper Fraser Valley Wastewater Agreement, a Joint Facilities Oversight Committee (“JFOC”) was established to represent the three members regarding the construction, expansion, operations, management, and maintenance of the new joint facilities. The JFOC is comprised of a total of nine members, with each member having three members. The Town was appointed as the manager of the joint facilities for 2024. The JFOC may designate a new manager on an annual basis. In 2024, as approved by the JFOC, the Town earned \$42,472 in management fees.

Operations and maintenance costs will be allocated among the three members based on each member’s proportionate share of equivalent residential units currently serviced by the new plant. In addition, upon certification of the new joint facilities, this agreement requires the establishment of an operations and maintenance reserve fund equal to three months operations and maintenance costs and a capital replacement reserve fund, the amount which is determined by the JFOC.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information (continued)

A. Joint Facilities (“JF”) Operations and Maintenance Fund (continued)

1. Maryvale Village (Rendezvous)

The District entered an agreement on May 9, 2000, with Maryvale Village, L.L.C., and several individuals (collectively referred to as the “Rendezvous”), Maryvale Commercial Metropolitan District, and Maryvale Residential Metropolitan District (these districts are collectively referred to as the “Maryvale Districts”) that permitted the inclusion of the Maryvale development within the District’s boundaries in order to receive sanitation services, in exchange for inclusion fees.

Pursuant to this agreement, Rendezvous and the Maryvale Districts are responsible for the construction of sewer main extensions and related infrastructure from the existing District sewer main to the Maryvale development. These sewer main extensions and related infrastructure will ultimately be conveyed to the District at the time these projects are completed or begin to be used, whichever comes first, subject to the District’s acceptance of these assets. As of December 31, 2024, Maryvale development sewer mains and infrastructure had been conveyed to the District, and is presented as an asset on the Town’s financial statements.

Per this agreement, in exchange for the District agreeing to oversize the new wastewater treatment plant described earlier, the Developer and Maryvale Districts agreed to cover the amount of any shortfall in the District’s CWRPDA loan payments by pre-purchasing tap fees. In addition, this agreement requires the Developer and Maryvale Districts to establish an escrow account in the amount of \$160,000 to guarantee their compliance in the event of a default regarding their pre-purchase obligations. As of December 31, 2024, no prepaid tap fees have been required or made by the Developer and the Maryvale Districts. This guarantee was released in 2009.

2. Pre-Inclusion Agreement - Cornerstone

The District entered an agreement on April 5, 2005, with Cornerstone Winter Park Holdings, L.L.C. (“Cornerstone”) that permits the inclusion of a portion of Cornerstone’s development within the District’s boundaries in order to receive sanitation services for inclusion fees.

Cornerstone shall be responsible for constructing, paying for and installing all sewer lines and any related facilities within the property including all lines, manholes and mains. This infrastructure will ultimately be conveyed to the District at the time these projects are completed or begin to be used, whichever comes first, subject to the District’s acceptance of these assets.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information (continued)

B. Retirement Plans – Defined Contribution Pension Plan – Section 401(a)

The Town is a member of Colorado Retirement Association (“CRA”). CRA was established to provide retirement benefits to employees of Colorado local governments. As a member, the Town participates in the CRA retirement plan created in accordance with Internal Revenue Code Section 401(a) (the “401(a) Plan”), which is a defined contribution pension plan. Employees of the Town are required to participate in the 401(a) Plan after 6 months of service. Each eligible employee is required to contribute 4% of gross wages to the 401(a) Plan. The Town matches employee contributions at the same rate and these matched dollars have a vesting period of 5 years. The Town is neither the trustee nor the administrator for the 401(a) Plan. The seven-member governing board of CRA makes all necessary rules and is responsible for administration of the funds in the 401(a) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee. Upon termination of service with the Town, any unvested amounts will be forfeited and may be used to pay plan expenses or Employer’s contributions to the 401(a) Plan.

During 2024, the Town recognized \$98,956 of expense under this plan. The Town has \$0 of forfeitures included in the 2024 401(a) Plan expense. The Town had a liability of \$2,097 due to the 401(a) Plan at December 31, 2024.

C. Retirement Plans – Deferred Compensation Plan – Section 457(b)

The Town also participates in the CRA retirement plan created in accordance with Internal Revenue Code Section 457(b) (the “457(b) Plan”), which is a deferred compensation plan. The plan permits employees to defer a portion of their salary until future years. All contributions to the 457(b) Plan and all income attributable to those amounts are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. Plan investment purchases are determined by the plan participant and therefore, the plan’s investment concentration varies between participants. The Town matches up to 2% of employee contributions and these matched dollars are vested immediately. The Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Town is neither the trustee nor the administrator for the plan. The seven-member governing board of CRA makes all necessary rules and is responsible for administration of the funds in the 457(b) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee.

The Town recognized \$47,756 of pension expense related to the 457(b) Plan during 2024 and had a liability of \$246 due to the 457(b) Plan at December 31, 2024.

D. Other Employee Benefits - Post Employment Health Care Benefits

All Town employees covered by State continuation insurance may continue their health insurance due to a reduction in work hours or termination of employment (for reasons other than "gross misconduct") for up to 18 months after the occurrence of one of these events. Eligible dependents may continue coverage for up to 36 months. Employees who elect continued coverage do so through Colorado Employer Benefit Trust (CEBT) who is a multiple employer trust for public institutions providing employee benefits. CEBT partnered with 24HourFlex as the COBRA administrator for all CEBT employers. No cost to the Town is recognized as employees pay through 24HourFlex.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information (continued)

E. Intergovernmental Agreements

1. Public Safety Services

In lieu of directly providing public safety services, the Town has entered into an agreement with the Town of Winter Park, Colorado to form a joint public safety force effective May 1, 2005 and amended March 21, 2012. The agreement requires costs to be split 65% to Winter Park and 35% to Fraser, based upon average call volume, but reevaluated annually and may be amended as agreed upon by both parties.

2. Building Department

The Town has entered into an agreement January 20, 2010 to form a joint building services department with the Town of Winter Park, Colorado and the Town of Granby, Colorado. According to the agreement, quarterly expenses are to be split based upon the portion of revenue collected for each Town, but may be adjusted annually by mutual agreement based on permits issued, inspections performed, time expended by personnel, vehicle depreciation and mileage and other measures.

3. Transportation Agreement

The Town has entered into an agreement on June 19, 2018 with the Town of Winter Park to provide transit services. The terms of the agreement automatically renew for 10 one-year periods unless either party provides written notice of nonrenewal on or before June 30th of the prior year. Pursuant to the agreement, the Town pays a monthly management fee equal to 10% of Winter Park's management costs of the Transit System, as well as all operating costs incurred for the Town's portion of the route.

4. Water Storage Agreement

In 2018, the Town purchased 25 acre-feet of water rights at Grand County Water Storage Reservoir. Pursuant to the terms of the operating agreement, the Town of Fraser and the Town of Winter Park will split costs associated with Maintenance and Capital Reserves as needed by Grand County Water Storage Reservoir.

F. Risk Management

The Town is exposed to various risks of loss related to workers' compensation, general liability, and worker unemployment. The Town has acquired commercial coverage for these risks. Any settled claims are not expected to exceed the commercial insurance coverage. The Town is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. The Town is a member of the insurance pool described below to cover these risks.

Pursuant to an inter-local agreement authorized by state statute, the Town joined the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") to provide insurance coverage. Members of the board of directors are nominated and elected by members to two-year, staggered terms and meet at least monthly to direct operations. CIRSA budgets are funded by contributions from member governments.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information (continued)

F. Risk Management (continued)

The December 31, 2024 combined financial information is as follows:

Cash and investments	\$ 98,496,751
Other assets	6,370,143
Total	<u><u>104,866,894</u></u>
Liabilities	67,056,273
Net position	37,810,621
Total	<u><u>104,866,894</u></u>
Total revenue	55,696,415
Total expense	<u>(51,954,991)</u>
(Deficiency) of Revenue	
Over Expense	<u><u>3,741,424</u></u>

Coverage provided by CIRSA is as follows: 1) \$250,000 per claim/occurrence property; 2) \$1,000,000 per claim/occurrence liability; and 3) \$150,000 per claim/occurrence crime. CIRSA has also acquired additional excess coverage from outside sources. The Town may be liable for any losses in excess of the above coverage. At December 31, 2024, the Town does not expect to incur losses in excess of the above coverage.

Surpluses or deficits for any year are subject to change for reasons which include: interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information (continued)

G. Tax Abatements

1. Fraser Still Project

The Town has entered into an Agreement for Certain Economic Inducements and Incentives in order to meet development goals within certain areas of the Town. According to the agreement, the development area Fraser Still Project has the following continuing development requirements or abatement agreements requiring disclosure:

<u>Revenues impacted</u>	<u>Amount</u>	<u>Requirements</u>
Permit and Review Fees	Rebate of \$1.000 per square foot of new usable commercial space constructed	Paid to the owner
Sales tax	100% for five years from date of CO issuance, 50% of sales tax for 5 additional years thereafter	Paid to the owner
Use Tax	100% of the building and construction use tax	Waived
Ad valorem real and personal property taxes	100% for the tax year preceding the date of CO issuance and four years thereafter	Paid to the owner
Plant investment fees	Due in three annual installments without interest, 1 year after the date of CO issuance	Paid to the Town
Service fees	Waived until the earlier of issuance of CO, or June 6, 2020	Waived

In exchange to the above tax abatements, the owner agrees to develop and run a distillery business on the property. During the year ended December 31, 2024, the Town reimbursed Sales Tax of \$39,919 to the Youngs Real Estate CO LLC, owners of Fraser Valley Distilling. The Town also deferred Plant Investment Fees of \$10,133. Service Fees are no longer waived per the agreement.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information (continued)

H. Tax Abatements (continued)

2. Watt Investments, LLP

The Town has entered into an Agreement for Certain Economic Inducements and Incentives in order to meet development goals within certain areas of the Town. According to the agreement, the development area Vicious Cycle has the following continuing development requirements or abatement agreements requiring disclosure:

<u>Revenues impacted</u>	<u>Amount</u>	<u>Requirements</u>
Permit and Review Fees	Rebate of \$1.000 per square foot of new usable commercial space constructed	Paid to the owner
Sales tax	100% for five years from date of CO issuance, 50% of sales tax for 5 additional years thereafter	Paid to the owner
Use Tax	100% of the building and construction use tax	Waived
Ad valorem real and personal property taxes	100% for the tax year preceding the date of CO issuance and four years thereafter	Paid to the owner
Plant investment fees	Due in three annual installments without interest, 1 year after the date of CO issuance	Paid to the Town
Service fees	Waived until the earlier of issuance of CO, or October 9, 2022	Waived

In exchange to the above tax abatements, the owner agrees to develop and run a retail business on the property. During the year ended December 31, 2024, the Town rebated Sales Tax of \$36,025 to Watt Investments LLP, owners of Vicious Cycle Brewing.

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Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information (continued)

H. Tax Abatements (continued)

3. Grand Park

The Town has entered into an Agreement for Certain Economic Inducements and Incentives in order to meet development goals within certain areas of the Town. According to the agreement, the development area Village at Grand Park has the following continuing development requirements or abatement agreements requiring disclosure:

<u>Revenues impacted</u>	<u>Amount</u>	<u>Requirements</u>
Permit and Review Fees	Rebate of \$1.000 per square foot of new usable commercial space constructed	Paid to the owner
Sales tax	100% for five years from date of CO issuance, 50% of sales tax for 5 additional years thereafter	Paid to the owner
Use Tax	100% of the building and construction use tax	Waived
Ad valorem real and personal property taxes	100% for the tax year preceding the date of CO issuance and four years thereafter	Paid to the owner
Plant investment fees	Due in three annual installments without interest, 1 year after the date of CO issuance	Paid to the Town
Service fees	Waived until the earlier of issuance of CO, or June 7, 2020	Waived

In exchange to the above tax abatements, the owner agrees to develop and run a retail business on the property. The Village at Grand Park buildings are still in the building phase so reimbursement of Sales Tax has not occurred. Service Fees are no longer waived per the agreement.

4. Prepaid Plant Investment Fees

The Town also entered into annexation agreements with two developers that provided for the use of Plant Investment Fees to fund water system capital improvements within the developments. The agreements essentially provide that the Town will not retain Plant Investment Fees paid by building permit applicants within these developments until such time as the total Plant Investment Fees paid exceeds the certified costs of regional water capital improvements within the developments. Currently the developers have certified water regional infrastructure improvements totaling \$3,267,814 and a total of \$2,764,142 of Plant Investment Fees have been rebated to the developer. The remaining balance is to be rebated to Byers View Metro District.

The above agreements were authorized by the Town Board after analyzing criteria that includes the ability to encourage development within the specific abatement area.

Town of Fraser
Notes to the Financial Statements
December 31, 2024
(Continued)

V. Other Information (continued)

I. Implementation of Accounting Standard

Effective January 1, 2024, the Town implemented Governmental Accountings Standards Board Statement No. 101, *Compensated Absences* (“GASB 101”). The Standard requires entities to recognize a liability for all forms of compensated absences, including those that are not paid upon an employee’s separation from service, such as sick leave. The standard requires entities to estimate the compensated absence liability based on historical data regarding the accumulation and usage of leave balances rather than solely on termination payouts. The implementation of GASB 101 was applied retroactively and did not result in restatement of net position.

J. Restatements

In 2024, the Town restated the Water Fund and business-type government wide net position for a correction to deferred revenue balances in relation to deferred plant investment fees paid to Districts as an economic incentive. The effects of the restatement are as follows:

	12/31/2023 As previously reported	Error Correction	12/31/2023 As restated
Business-type activities	29,475,495	(1,015,700)	28,459,795
Water Fund	12,571,150	(1,015,700)	11,555,450

REQUIRED SUPPLEMENTARY INFORMATION



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

	2024		Variance Positive (Negative)	2023
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes	5,416,894	6,360,683	943,789	6,035,420
Licenses and fees	210,000	198,259	(11,741)	233,486
Charges for services	195,050	243,671	48,621	325,430
Intergovernmental	2,400,000	771,458	(1,628,542)	360,562
Fines and forfeitures	-	-	-	-
Interest	466,706	614,223	147,517	527,082
Other revenue	227,000	191,309	(35,691)	225,259
	Total Revenues	8,379,603	(536,047)	7,707,239
Expenditures:				
General government	3,193,893	5,014,069	(1,820,176)	3,022,795
Public safety	1,280,860	951,632	329,228	876,336
Public works	4,700,115	2,915,083	1,785,032	1,627,965
Culture and recreation	219,054	245,035	(25,981)	714,879
	Total Expenditures	9,125,819	268,103	6,241,975
Excess (Deficiency) of Revenues Over Expenditures	(478,272)	(746,216)	(267,944)	1,465,264
Other Financing Sources (Uses):				
Transfer in	10,000	-	(10,000)	-
Transfer (out)	-	(30,000)	(30,000)	-
Total Other Financing (Uses)	10,000	(30,000)	(40,000)	-
Net Change in Fund Balance	(468,272)	(776,216)	(307,944)	1,465,264
Fund Balances - Beginning of Year	3,656,146	11,517,638	7,861,492	10,052,374
Fund Balances - End of Year	3,187,874	10,741,422	7,553,548	11,517,638

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

Town of Fraser, Colorado
General Fund
Schedule of Revenues
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	<u>2024</u>		<u>Variance Positive (Negative)</u>	<u>2023</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Taxes:				
Property	724,644	730,892	6,248	462,794
Specific ownership	15,750	30,672	14,922	28,774
Sales & use	4,540,000	5,418,638	878,638	5,387,333
Franchise	130,000	173,806	43,806	148,522
Cigarette	6,500	6,675	175	7,997
Total	<u>5,416,894</u>	<u>6,360,683</u>	<u>943,789</u>	<u>6,035,420</u>
Licenses and Fees:				
Business license fees	20,000	17,028	(2,972)	41,387
Regulated Industry fees	190,000	181,231	(8,769)	192,099
Total	<u>210,000</u>	<u>198,259</u>	<u>(11,741)</u>	<u>233,486</u>
Charges for services:				
Planning and building fees	90,050	157,781	67,731	116,309
Disposable bag fees	40,000	41,454	1,454	63,467
Other charges	65,000	44,436	(20,564)	145,654
Total	<u>195,050</u>	<u>243,671</u>	<u>48,621</u>	<u>325,430</u>
Intergovernmental:				
Grant revenue	2,400,000	771,458	(1,628,542)	360,562
Total	<u>2,400,000</u>	<u>771,458</u>	<u>(1,628,542)</u>	<u>360,562</u>
Interest:				
Earnings on deposits	466,706	614,223	147,517	527,082
Total	<u>466,706</u>	<u>614,223</u>	<u>147,517</u>	<u>527,082</u>
Other:				
Other income	217,000	163,046	(53,954)	187,732
Rents	10,000	28,263	18,263	37,527
Total	<u>227,000</u>	<u>191,309</u>	<u>(35,691)</u>	<u>225,259</u>
Other Financing Sources:				
Transfer in	10,000	-	(10,000)	-
Transfer out	-	(30,000)	(30,000)	-
Sale of assets	-	-	-	-
Total	<u>10,000</u>	<u>(30,000)</u>	<u>(40,000)</u>	<u>-</u>
Total Revenues	<u>8,925,650</u>	<u>8,349,603</u>	<u>(576,047)</u>	<u>7,707,239</u>

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

Town of Fraser, Colorado
General Fund
Schedule of Expenditures and Transfers
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	2024		Variance Positive (Negative)	2023
	Original and Final Budget	Actual		Actual
General Government:				
Town board salaries	65,421	63,758	1,663	44,002
Town board community enhancement	514,700	577,356	(62,656)	789,332
Miscellaneous	20,000	18,248	1,752	307
Administrative salaries	704,665	807,343	(102,678)	873,912
Other purchased services	1,247,217	1,258,435	(11,218)	1,194,796
Utilities	24,147	21,820	2,327	21,462
Property management	129,500	94,752	34,748	115,668
Fiscal agent salaries	(54,472)	6	(54,478)	(19,220)
Capital outlay	542,715	2,172,351	(1,629,636)	2,536
Total General Government	3,193,893	5,014,069	(1,820,176)	3,022,795
Public Safety	1,280,860	951,632	329,228	876,336
Total Public Safety	1,280,860	951,632	329,228	876,336
Public Works				
Salaries and benefits	1,487,240	1,222,241	264,999	861,338
Other purchased services	407,025	530,028	(123,003)	410,280
Utilities	19,000	10,938	8,062	13,662
Property management	195,000	39,410	155,590	38,904
Capital outlay	2,591,850	1,112,466	1,479,384	303,781
Total Public Works	4,700,115	2,915,083	1,785,032	1,627,965
Culture and Recreation				
Salaries and benefits	195,000	227,566	(32,566)	694,238
Other purchased services	15,606	15,949	(343)	13,768
Utilities	2,448	1,505	943	1,700
Property management	6,000	15	5,985	5,173
Capital outlay	-	-	-	-
Total Culture and Recreation	219,054	245,035	(25,981)	714,879
Total Expenditures	9,393,922	9,155,819	238,103	6,241,975

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

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

	2024		Variance Positive (Negative)	2023
	Original and Final Budget	Actual		Actual
Revenues:				
Lottery proceeds	7,200	9,251	2,051	10,314
Interest	1,000	3,134	2,134	1,627
Total Revenues	8,200	12,385	4,185	11,941
Other Financing Sources (Uses):				
Transfer (Out)	(10,000)	-	10,000	-
Total Other Financing (Uses)	(10,000)	-	10,000	-
Net Change in Fund Balance	(1,800)	12,385	14,185	11,941
Fund Balances - Beginning of Year	26,456	40,241	13,785	28,300
Fund Balances - End of Year	24,656	52,626	27,970	40,241

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

Town of Fraser, Colorado
Special Revenue Fund
Restricted Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	2024			2023
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Taxes	1,000,000	1,244,878	244,878	1,232,550
Intergovernmental	11,000	-	(11,000)	-
Interest	60,000	110,216	50,216	94,650
Total Revenues	1,071,000	1,355,094	284,094	1,327,200
Expenditures:				
General government				
Transportation	1,110,011	1,049,206	60,805	1,130,195
Trails	130,045	88,010	42,035	148,514
Total Expenditures	1,240,056	1,137,216	102,840	1,278,709
Net Change in Fund Balance	(169,056)	217,878	386,934	48,491
Fund Balances - Beginning of Year	483,659	1,908,655	1,424,996	1,860,164
Fund Balances - End of Year	314,603	2,126,533	1,811,930	1,908,655

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

Town of Fraser, Colorado
Special Revenue Fund
Fraser Housing Authority
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	2024		Variance Positive (Negative)	2023
	Original and Final Budget	Actual		Actual
Revenues:				
Charges for services	175,000	179,250	4,250	141,650
Total Revenues	175,000	179,250	4,250	141,650
Expenditures:				
General government	-	42,725	(42,725)	26,639
Total Expenditures	-	42,725	(42,725)	26,639
Net Change in Fund Balance	175,000	136,525	(38,475)	115,011
Fund Balances - Beginning of Year	108,000	115,011	7,011	-
Fund Balances - End of Year	283,000	251,536	(31,464)	115,011

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

Town of Fraser, Colorado
Special Revenue Fund
Downtown Development Authority
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	2024		Variance Positive (Negative)
	Original and Final Budget	Actual	
Expenditures:			
General government	30,000	23,607	6,393
Total Expenditures	30,000	23,607	6,393
Excess (Deficiency) of Revenues Over Expenditures	(30,000)	(23,607)	6,393
Other Financing Sources (Uses):			
Transfer in	30,000	30,000	-
Total Other Financing (Uses)	30,000	30,000	-
Net Change in Fund Balance	-	6,393	6,393
Fund Balances - Beginning of Year	-	-	-
Fund Balances - End of Year	-	6,393	6,393

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

SUPPLEMENTARY INFORMATION



Town of Fraser, Colorado
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	<u>2024</u>		<u>Variance Positive (Negative)</u>	<u>2023</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Interest	1,000	1,950	950	1,888
Total Revenues	<u>1,000</u>	<u>1,950</u>	<u>950</u>	<u>1,888</u>
Net Change in Fund Balance	1,000	1,950	950	1,888
Fund Balances - Beginning of Year	<u>37,852</u>	<u>38,040</u>	<u>188</u>	<u>36,152</u>
Fund Balances - End of Year	<u><u>38,852</u></u>	<u><u>39,990</u></u>	<u><u>1,138</u></u>	<u><u>38,040</u></u>

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

Town of Fraser, Colorado
Capital Equipment Replacement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	2024		Variance Positive (Negative)	2023
	Original and Final Budget	Actual		Actual
Revenues:				
Highway users revenue	49,318	65,727	16,409	56,606
Earnings on investments	5,000	17,106	12,106	13,962
Total Revenues	54,318	82,833	28,515	70,568
Expenditures:				
Equipment	105,000	61,666	43,334	63,357
Total Expenditures	105,000	61,666	43,334	63,357
Excess (Deficiency) of Revenues Over Expenditures	(50,682)	21,167	71,849	7,211
Other Financing Sources:				
Transfer In	70,000	-	(70,000)	-
Total Other Financing Sources	70,000	-	(70,000)	-
Net Change in Fund Balance	19,318	21,167	1,849	7,211
Fund Balances - Beginning of Year	89,827	332,919	243,092	325,708
Fund Balances - End of Year	109,145	354,086	244,941	332,919

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

Town of Fraser, Colorado
Enterprise Fund
Water Fund
Schedule of Revenues, Expenditures and Change in Net Position
Budget (Non-GAAP) Basis and Actual
With Reconciliation to GAAP Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	2024		2023 (Restated)	
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Tap fees	250,000	114,190	(135,810)	318,780
User fees	1,212,115	1,287,678	75,563	1,188,131
Water meter fees	40,000	32,152	(7,848)	30,043
Interest income	80,000	144,473	64,473	163,296
Excavation permits	275	1,650	1,375	-
Other	2,500	2,863	363	4,419
Total Revenues	<u>1,584,890</u>	<u>1,583,006</u>	<u>(1,884)</u>	<u>1,704,669</u>
Expenditures:				
Personnel:				
Salaries	343,665	353,878	(10,213)	319,268
Retirement	25,492	19,064	6,428	15,911
Health insurance	73,975	72,872	1,103	63,935
Travel and training	9,000	4,287	4,713	3,214
Total	<u>452,132</u>	<u>450,101</u>	<u>2,031</u>	<u>402,328</u>
Commodities:				
Insurance	20,000	-	20,000	-
Supplies	82,000	47,284	34,716	44,579
System repair and maintenance	352,000	235,324	116,676	376,505
Testing	3,000	1,381	1,619	1,331
Telephone	12,000	13,088	(1,088)	14,510
Utilities	50,000	53,554	(3,554)	47,176
Miscellaneous	13,500	1,449	12,051	1,547
Total	<u>532,500</u>	<u>352,080</u>	<u>180,420</u>	<u>485,648</u>
Contractual:				
Legal	65,000	15,324	49,676	28,171
Engineering	40,000	54,217	(14,217)	181,572
Other professional services	80,500	17,612	62,888	6,768
Professional memberships	10,000	13,345	(3,345)	7,094
Total	<u>195,500</u>	<u>100,498</u>	<u>95,002</u>	<u>223,605</u>
Other:				
Capital projects and purchases	1,588,000	335,105	1,252,895	(132,574)
Water rights	35,000	22,997	12,003	12,237
Total	<u>1,623,000</u>	<u>358,102</u>	<u>1,264,898</u>	<u>(120,337)</u>
Total Expenditures	<u>2,803,132</u>	<u>1,260,781</u>	<u>1,542,351</u>	<u>991,244</u>
Excess (Deficiency) of Revenues Over Expenses (Budget Basis)	<u>(1,218,242)</u>	322,225	<u>1,540,467</u>	713,425
Reconciliation from Budget Basis to GAAP Basis:				
Capitalized assets		17,012		70,794
Depreciation		(398,447)		(377,155)
Excess (Deficiency) of Revenues Over Expenses (GAAP Basis)		(59,210)		407,064
Net Position - Beginning of Year		<u>11,555,450</u>		<u>11,148,386</u>
Net Position - End of Year		<u>11,496,240</u>		<u>11,555,450</u>

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

Town of Fraser, Colorado
Enterprise Fund
Wastewater Fund
Schedule of Revenues, Expenditures and Change in Net Position
Budget (Non-GAAP) Basis and Actual
With Reconciliation to GAAP Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	2024		Variance Positive (Negative)	2023
	Original and Final Budget	Actual		Actual
Revenues:				
Tap fees	150,000	146,250	(3,750)	485,500
User fees	955,500	1,021,014	65,514	966,175
Management fees	37,800	42,472	4,672	39,291
Interest income	150,000	269,520	119,520	305,839
Grants	-	372,367	372,367	-
Total Revenues	1,293,300	1,851,623	558,323	1,796,805
Expenditures:				
Personnel:				
Salaries	343,665	386,566	(42,901)	347,662
Retirement	25,492	20,751	4,741	17,694
Health insurance	73,975	77,746	(3,771)	68,400
Travel and training	8,000	-	8,000	350
Total	451,132	485,063	(33,931)	434,106
Commodities:				
Insurance	12,000	-	12,000	-
Supplies	2,500	-	2,500	-
System repair and maintenance	685,500	295,935	389,565	2,260,761
Testing	1,000	-	1,000	-
Telephone	5,000	2,031	2,969	1,897
Miscellaneous	3,000	539	2,461	1,454
Total	709,000	298,505	410,495	2,264,112
Contractual:				
Legal	5,000	-	5,000	-
Engineering	80,000	560	79,440	26,605
Other professional services	525,500	419,803	105,697	369,157
Treasurer's and bank fees	100	-	100	-
Professional memberships	6,000	5,758	242	5,705
Total	616,600	426,121	190,479	401,467
Other:				
Transfer to Other Fund	50,000	-	50,000	-
Total	50,000	-	50,000	-
Total Expenditures	1,826,732	1,209,689	617,043	3,099,685
Excess (Deficiency) of Revenues Over Expenses (Budget Basis)	(533,432)	641,934	1,175,366	(1,302,880)
Reconciliation from Budget Basis to GAAP Basis:				
Capitalized assets		92,395		2,097,015
Depreciation		(612,671)		(608,401)
Excess (Deficiency) of Revenues Over Expenses (GAAP Basis)		121,658		185,734
Net Position - Beginning of Year		16,904,345		16,718,611
Net Position - End of Year		17,026,003		16,904,345

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

Town of Fraser, Colorado
Fiduciary Fund - Joint Facilities Operations and Maintenance
Schedule of Revenues & Expenses
Budget (Non-GAAP) Basis and Actual
With Reconciliation to GAAP Basis
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	2024			Final Budget Variance Positive (Negative)	2023
	Original Budget	Final Budget	Actual		Actual
Revenues:					
JF operating charges	1,918,584	1,918,584	1,383,813	(534,771)	1,133,417
JF capital reserve contributions	-	300,000	332,260	32,260	69,649
Interest revenue	45,200	45,200	55,730	10,530	53,321
Other revenue	-	-	-	-	766
Total Revenues	<u>1,963,784</u>	<u>2,263,784</u>	<u>1,771,803</u>	<u>(491,981)</u>	<u>1,257,153</u>
Expenses:					
Training programs	5,000	5,000	1,039	3,961	556
Travel, meals and lodging	5,000	5,000	573	4,427	870
Meals and entertainment	600	600	165	435	-
Professional fees	1,007,500	1,007,500	342,475	665,025	77,118
Engineering fees	125,000	125,000	85,002	39,998	-
Financial services	-	-	86	(86)	331
Sludge removal	170,000	170,000	114,466	55,534	107,215
Other professional services	18,000	18,000	6,487	11,513	5,878
Insurance	48,500	48,500	62,511	(14,011)	59,534
Advertising	620	620	-	620	-
Plant maintenance & repair	70,000	70,000	46,308	23,692	61,332
Grounds maintenance	2,000	2,000	1,556	444	87
Equipment rental	2,000	2,000	12,712	(10,712)	-
Professional memberships	900	900	202	698	126
Operating supplies	273,000	273,000	235,200	37,800	171,886
Equipment purchase and repair	80,000	80,000	12,159	67,841	12,842
Testing	170,000	170,000	70,400	99,600	82,006
Permits	12,000	12,000	-	12,000	-
Utilities	232,920	232,920	219,366	13,554	190,225
Vehicles	8,500	8,500	4,007	4,493	4,227
Miscellaneous	2,500	2,500	5,734	(3,234)	296
Capital projects	825,000	825,000	131,444	693,556	82,999
Payroll expenses	428,831	428,831	412,891	15,940	350,349
Contingency	40,000	40,000	-	40,000	-
Total Expenses	<u>3,527,871</u>	<u>3,527,871</u>	<u>1,764,783</u>	<u>1,763,088</u>	<u>1,207,877</u>
Excess (Deficiency) of Revenues Over Expenses (Budget Basis)	<u>(1,564,087)</u>	<u>(1,264,087)</u>	7,020	<u>1,271,107</u>	49,276
Reconciliation from Budget Basis to GAAP Basis:					
Capital reserve reduced by capital expenses			380,972		73,695
Capital reserve increased by contributions			(332,260)		(69,649)
Capital reserve increased by interest income			(55,540)		(53,322)
Operating reserve increased by interest income			(192)		-
Excess (Deficiency) of Revenues Over Expenses (GAAP Basis)			<u>-</u>		<u>-</u>

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

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Fraser, Colorado
		YEAR ENDING : December 2024
This Information From The Records Of (example - City of _ or County of Town of Fraser, Colorado)	Prepared By: Phone:	Lorraine Waters 970-531-9938

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	744,441
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	302,139
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	15,668
2. General fund appropriations	1,006,158	b. Snow and ice removal	474,791
3. Other local imposts (from page 2)	1,164,867	c. Other	0
4. Miscellaneous local receipts (from page 2)	92	d. Total (a. through c.)	490,459
5. Transfers from toll facilities	0	4. General administration & miscellaneous	86,326
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	641,636
a. Bonds - Original Issues	0	6. Total (1 through 5)	2,265,001
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	2,171,117	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	93,884	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	2,265,001	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	2,265,001

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	2,265,001	2,265,001	0	(0)

Notes and Comments:

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	352,469	a. Interest on investments	92
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	54,280	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	730,943	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	27,175	g. Other Misc. Receipts	0
6. Total (1. through 5.)	812,398	h. Other	0
c. Total (a. + b.)	1,164,867	i. Total (a. through h.)	92
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	58,884	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	0	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	35,000	f. Other Federal	0
f. Total (a. through e.)	35,000	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	93,884	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	100,000	0	100,000
b. Engineering Costs	5,770	38,950	44,720
c. Construction:			
(1). New Facilities	0	35,000	35,000
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	564,721	564,721
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	599,721	599,721
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	105,770	638,671	744,441
			(Carry forward to page 1)

Notes and Comments: