Town of Kremmling, Colorado

Financial Report

December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

M & A

McMahan and Associates, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Town Council
Town of Kremmling, 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 the Town of Kremmling, Colorado (the "Town"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

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

Supplementary Information

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

The combining non-major fund financial statements, individual fund budgetary comparison information, and the 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
September 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Kremmling, Colorado

Management's Discussion and Analysis
December 31, 2024

As management of the Town of Kremmling, Colorado (the “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.

Financial Highlights:

- The assets of the Town exceeded its liabilities at the close of the 2024 fiscal year by $11,719,041 (net position). Of this amount, the unrestricted net position of $4,033,524 may be used to meet the Town’s ongoing obligations to citizens and creditors.
- The Town’s total net position increased in the 2024 fiscal year by $135,377 as governmental activities net position grew by $2,040 and business-type activities increased $133,337.
- At December 31, 2024, the unassigned fund balance of the General Fund was $2,283,064, or approximately 101% of budgeted fiscal year 2025 General Fund expenditures.

Overview of the Financial Statements

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

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 the Town’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the 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 (e.g., 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) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, public works, and culture and recreation. The business-type activities of the Town include water and solid waste operations.

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 funds and proprietary funds.

Overview of the Financial Statements (continued)

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 expendable resources, as well as on balances of expendable 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 Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances both provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The Town's major governmental fund is the General Fund. The Conservation Trust Fund, the Recreation Fund, and the Grant Fund are considered non-major funds. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements.

As required by Colorado statutes, the Town is required to adopt an annual appropriated budget for all of its funds. Budgetary comparison schedules have been provided for the General Fund and all other funds to demonstrate compliance.

The basic governmental fund financial statements can be found on pages C3 through C5.

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

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

The basic proprietary fund financial statements can be found on pages C6 through C8 of this report.

Notes to the Financial Statements: The notes provide additional information (e.g., background of entity, accounting policies used by Town, etc.) that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in Section D of this report.

Other Information: As previously discussed, the Town adopts annual appropriated budgets for all its funds in accordance with Colorado statues. The budgetary comparison schedules have been provided for all its funds to demonstrate compliance or noncompliance with the budget law and are found on pages E1 through E4 and F3 through F8.

The combining statements referred to earlier in connection with non-major governmental funds are presented on pages F1 and F2. In addition, the Local Highway Finance Report – other supplementary information required by Colorado Statutes – is presented in Section G.

Government-wide Financial Analysis

Town of Kremmling's Net Position:

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	$2,997,567	3,853,420	13,405,776	1,936,187	16,403,343	5,789,607
Capital assets, net	2,850,206	2,117,578	5,359,024	5,389,618	8,209,230	7,507,196
Total Assets	5,847,773	5,970,998	18,764,800	7,325,805	24,612,573	13,296,803
Deferred Outflows of Resources:						
Pension related deferred outflows	97,030	110,260	-	-	97,030	110,260
Total Deferred Outflow of Resources	97,030	110,260	-	-	97,030	110,260
Liabilities:						
Long-term liabilities	50,579	31,574	12,094,423	959,402	12,145,002	990,976
Other liabilities	231,453	376,880	346,872	176,235	578,325	553,115
Total Liabilities	282,032	408,454	12,441,295	1,135,637	12,723,327	1,544,091
Deferred Inflows of Resources:						
Unavailable property tax revenue	254,603	264,352	-	-	254,603	264,352
Pension related deferred inflows	12,632	14,956	-	-	12,632	14,956
Total Deferred Inflow of Resources	267,235	279,308	-	-	267,235	279,308
Net Position:						
Net investment in capital assets	2,850,206	2,117,578	4,740,311	4,341,691	7,590,517	6,459,269
Restricted for emergencies	95,000	69,000	-	-	95,000	69,000
Unrestricted	2,450,330	3,206,918	1,583,194	1,848,477	4,033,524	5,055,395
Total Net Position	$5,395,536	5,393,496	6,323,505	6,190,168	11,719,041	11,583,664

Traditionally, the largest portion of any municipality's investments is in its capital assets used to deliver and provide services to its residents and visitors. The Town's investment in capital assets accounted for 65% of its total net position at the end of 2024; which represents an increase of 9% from the previous year-end. Net investment in capital assets is not an available source of payment for future spending. Of the remaining $4,128,524 in net position, $95,000 is restricted for use in the event of an emergency as required by the Taxpayers' Bill of Rights ("TABOR"), $0 is restricted for employee pension disbursements, and $4,033,524 may be used to meet the Town's ongoing operating obligations. The Town's unrestricted net position decreased by $536,912 during 2024; this change is subsequently explained.

At the end of the 2024 fiscal year, the Town is able to report positive balances in all four categories of net position; first for the government as a whole, and then as separate governmental and business-type activities. This same report can also be made for the prior fiscal year.

Government-wide Financial Analysis (continued)

The following table summarizes information relating to the Town's Statement of Activities:

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	$ 127,890	134,061	1,046,029	971,141	1,173,919	1,105,202
Grants and contributions	186,880	199,829	387,087	106,000	573,967	305,829
General revenues:						
Sales and use taxes	1,681,464	1,725,963	-	-	1,681,464	1,725,963
Property taxes	274,419	197,753	-	-	274,419	197,753
Other taxes	107,165	116,451	-	-	107,165	116,451
Miscellaneous	838	7,253	-	-	838	7,253
Interest	57,620	37,285	21,729	13,248	79,349	50,533
Total Revenues	2,436,276	2,418,595	1,454,845	1,090,389	3,891,121	3,508,984
Expenses:						
General government	916,824	724,865	-	-	916,824	724,865
Public safety	911,686	741,524	-	-	911,686	741,524
Public works	354,519	442,761	-	-	354,519	442,761
Culture and recreation	251,207	155,411	-	-	251,207	155,411
Water	-	-	967,236	735,702	967,236	735,702
Solid waste	-	-	354,272	335,132	354,272	335,132
Total Expenses	2,434,236	2,064,561	1,321,508	1,070,834	3,755,744	3,135,395
Change in Net Position	2,040	354,034	133,337	19,555	135,377	373,589
Net Position - Beginning of Year	5,393,496	5,039,462	6,190,168	6,170,613	11,583,664	11,210,075
Net Position - End of Year	$5,395,536	5,393,496	6,323,505	6,190,168	11,719,041	11,583,664

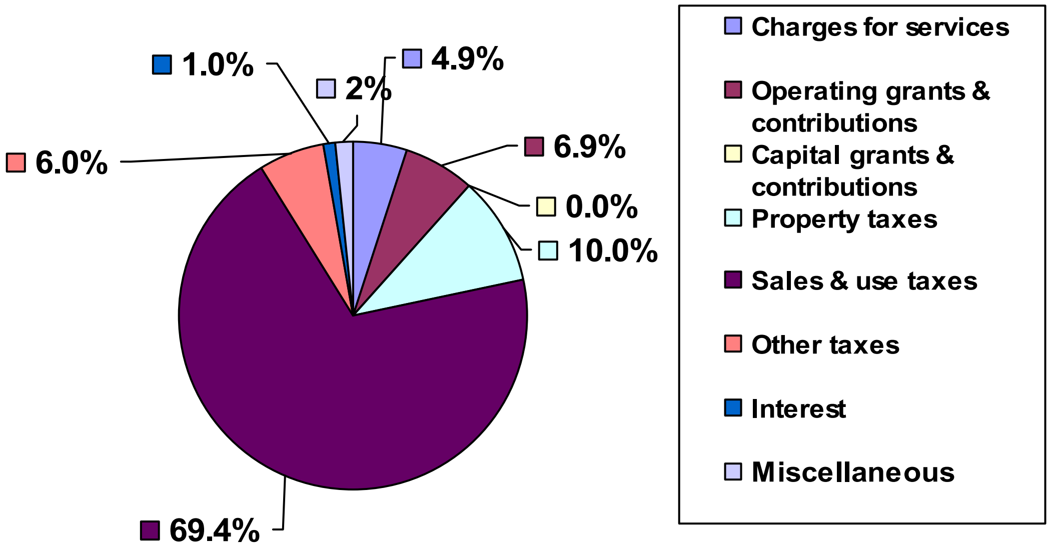
Both 2024 and 2023 saw an increase in net position. The governmental activities net position was relatively flat due to declining sales tax offset by increased property tax, and higher expenses. The business-type activities net position increased due to higher grant funds received during the year.

Revenues increased by $382,137 or 11% between 2023 and 2024. Sales and use tax revenue decreased by $44,499 from the previous year as economic activity has flattened post-pandemic. The Town continued to expend American Rescue Plan grant funds during 2024 as part of its ongoing water meter replacement project, and also received grant funds from Colorado Water Resources and Power Development Authority ("CWRPDA") for design and engineering costs for a new water treatment plant.

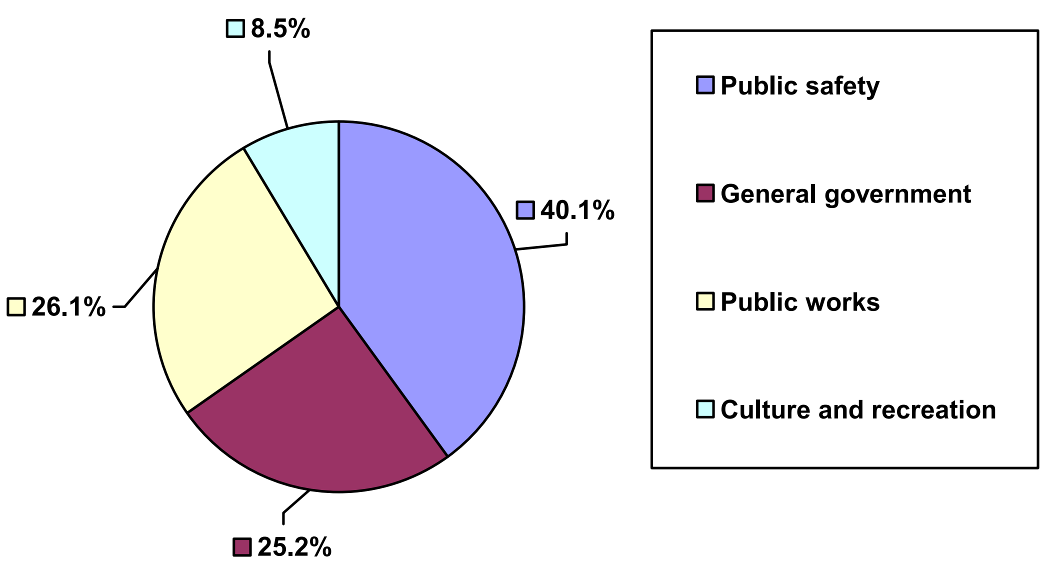
Total 2024 expenses of the Town increased by $620,349,or approximately 20% over total expenses in the prior year.

Government-wide Financial Analysis (continued)

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES

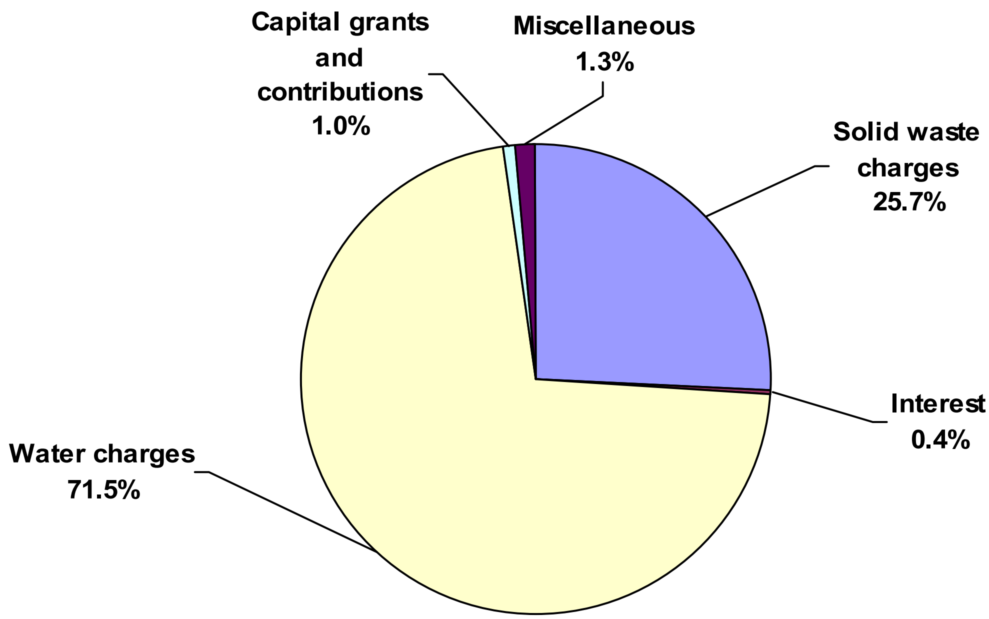


EXPENSES BY FUNCTIONS – GOVERNMENTAL ACTIVITIES

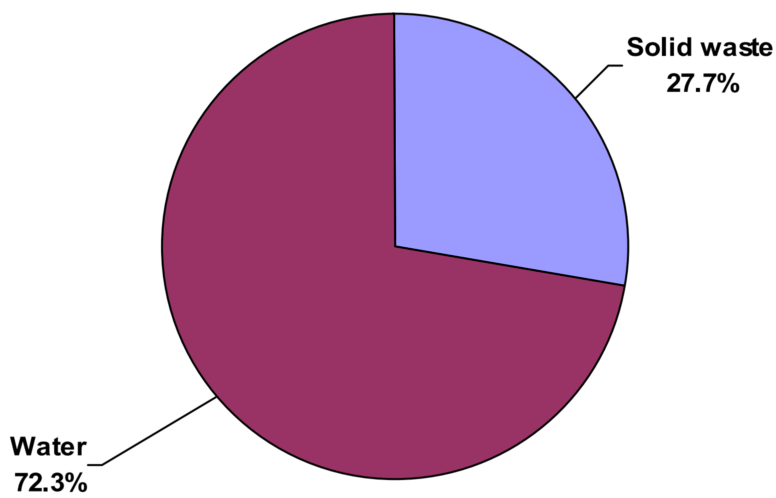


Government-wide Financial Analysis (continued)

REVENUE BY SOURCE - BUSINESS-TYPE ACTIVITIES



EXPENSES BY FUNCTION – BUSINESS-TYPE ACTIVITIES



Budget Amendments: The Town passed budget amendments to its General Fund, Conservation Trust Fund, Recreation Fund, Grant Fund, and Water Fund during 2024.

Government-wide Financial Analysis (continued)

Budget Variances in the General Fund: In total, the Town's General Fund ended 2024 $459,954 ahead of budget, as revenues were $162,545 higher than anticipated while expenditures were $297,409 lower than budgeted. The General Fund budgetary comparison schedules can be found on pages E1 through E4 in the financial report.

Significant Variances in the General Fund:

Resources	Final Budget	Actual Amounts	Variance Positive (Negative)	Reason
Revenues:				
General sales and use taxes	$1,640,000	1,681,464	41,464	The Town estimated a decline in sales tax more conservatively than actual received.
Expenditures:				
Administration - Capital outlay	295,000	254,193	40,807	Anticipated projects not begun.
Public Works - Repair and maintenance	104,500	22,656	81,844	Expected street projects deferred to 2025 under a master plan.
Public Works - Capital outlay	680,000	626,288	53,712	Anticipated projects not begun.

Capital Assets: During 2024, capital assets increased by $702,034 on a net basis. This change in capital assets is comprised of $250,000 in land, $606,324 in infrastructure additions, $189,717 in buildings and improvements additions, and $192,905 in vehicles and equipment additions, less aggregate depreciation expense of $536,912. Additional information, as well as a detailed classification of the Town's net capital assets can be found in Note IV.D., in section D of this report.

Long-term Liabilities: As of the end of the current fiscal year, the Town's long-term liabilities had increased by $11,154,026 from 2023 primarily due to issuance of the 2024 CWRPDA Leveraged Loan in the amount of $11,042,212 and $325,076 for its portion of the bond premium. Additional information as well as a detailed classification of the Town's long-term liabilities can be found in Note IV.E in section D of this report.

Next Year's Budget and Rates: The Town's General Fund balance at the end of the fiscal year 2024 totaled $2,378,064. The 2025 budget appropriations anticipate a balanced budget in the General Fund, with budgeted revenues of $2,258,494 and expenditures of $2,258,494.

Request for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Kremmling, P.O. Box 538, Kremmling, Colorado 80459-0538.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments - Unrestricted	2,362,283	1,655,876	4,018,159
Cash and investments - Restricted	-	6,815,145	6,815,145
Accounts receivable, net of allowance for doubtful accounts:			
Sales taxes	266,583	-	266,583
Property taxes	254,603	-	254,603
Sewer	66,733	-	66,733
Other	47,365	4,934,755	4,982,120
Capital assets, not being depreciated	370,070	738,137	1,108,207
Capital assets, net of accumulated depreciation	2,480,136	4,620,887	7,101,023
Total Assets	5,847,773	18,764,800	24,612,573
Deferred Outflows of Resources:			
Pension-related deferred outflows	97,030	-	97,030
Liabilities:			
Accounts payable	176,004	95,917	271,921
Accrued salaries and benefits	55,449	7,583	63,032
Accrued interest payable	-	44,210	44,210
Accrued compensated absences:			
Due in more than one year	50,579	7,515	58,094
Notes payable:			
Due in one year	-	61,658	61,658
Due in more than one year	-	857,124	857,124
Bonds payable:			
Due in one year	-	137,504	137,504
Due in more than one year	-	11,229,784	11,229,784
Total Liabilities	282,032	12,441,295	12,723,327
Deferred Inflows of Resources:			
Property taxes	254,603	-	254,603
Pension-related deferred inflows	12,632	-	12,632
Total Deferred Inflows of Resources	267,235	-	267,235
Net Position:			
Net investment in capital assets	2,850,206	4,740,311	7,590,517
Restricted for emergencies	95,000	-	95,000
Unrestricted	2,450,330	1,583,194	4,033,524
Total Net Position	5,395,536	6,323,505	11,719,041

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

Town of Kremmling, 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	916,824	33,209	37,774	-	(845,841)		(845,841)
Public safety	911,686	17,927	30,721	-	(863,038)		(863,038)
Public works	354,519	66,941	75,526	-	(212,052)		(212,052)
Culture and recreation	251,207	9,813	18,159	24,700	(198,535)		(198,535)
Total - Governmental activities	2,434,236	127,890	162,180	24,700	(2,119,466)		(2,119,466)
Business-type activities:							
Water	967,236	686,568	-	387,087		106,419	106,419
Solid waste	354,272	359,461	-	-		5,189	5,189
Total - Business-type activities	1,321,508	1,046,029	-	387,087		111,608	111,608
Total	3,755,744	1,173,919	162,180	411,787	(2,119,466)	111,608	(2,007,858)
General revenues:							
Taxes:							
Sales and use taxes					1,681,464	-	1,681,464
Property taxes, levied for general purposes					274,419	-	274,419
Specific ownership taxes					12,102	-	12,102
Franchise taxes					66,718	-	66,718
Cigarette taxes					2,312	-	2,312
Motor vehicle taxes					7,078	-	7,078
Other taxes					18,955	-	18,955
Investment earnings					57,620	21,729	79,349
Miscellaneous revenues					838	-	838
Total - General revenues and transfers					2,121,506	21,729	2,143,235
Change in Net Position					2,040	133,337	135,377
Net Position - Beginning of Year					5,393,496	6,190,168	11,583,664
Net Position - End of Year					5,395,536	6,323,505	11,719,041

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

FUND FINANCIAL STATEMENTS

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

	General Fund	Non-major Governmental Funds	Total
Assets:			
Cash and investments - Unrestricted	2,227,495	134,788	2,362,283
Accounts receivable, net of allowance for doubtful accounts:			
Sales taxes	266,583	-	266,583
Property taxes	254,603	-	254,603
Sewer	66,733	-	66,733
Other	47,365	-	47,365
Total Assets	2,862,779	134,788	2,997,567
Liabilities:			
Accounts payable	174,663	1,341	176,004
Accrued salaries and benefits	55,449	-	55,449
Total Liabilities	230,112	1,341	231,453
Deferred Inflows of Resources:			
Unavailable property tax revenue	254,603	-	254,603
Fund Balances:			
Restricted for:			
Emergencies	95,000	-	95,000
Conservation Trust Fund	-	109,907	109,907
Committed:			
Recreation Fund	-	23,540	23,540
Unassigned:			
General Fund	2,283,064	-	2,283,064
Total Fund Balances	2,378,064	133,447	2,511,511
Total Liabilities, Deferred Inflows of Resources and Fund Balances	2,862,779	134,788	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,850,206
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(50,579)
The net pension asset / (liability) and related deferrals are not due and payable in the current period and, therefore, are not reported in the funds.	84,398
Net Position of Governmental Activities	5,395,536

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

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

	General Fund	Non-major Governmental Funds	Total
Revenues:			
Taxes	2,053,053	-	2,053,053
Licenses and permits	5,588	-	5,588
Intergovernmental	183,184	46,424	229,608
Charges for services	27,623	9,813	37,436
Fines and forfeitures	17,927	-	17,927
Interest	57,523	97	57,620
Other	10,347	24,700	35,047
Total Revenues	2,355,245	81,034	2,436,279
Expenditures:			
General government	1,023,234	40,353	1,063,587
Public safety	949,282	-	949,282
Public works	922,226	-	922,226
Culture and recreation	179,061	34,781	213,842
Total Expenditures	3,073,803	75,134	3,148,937
Net Change in Fund Balances	(718,558)	5,900	(712,658)
Fund Balances - Beginning of Year	3,096,622	127,547	3,224,169
Fund Balances - End of Year	2,378,064	133,447	2,511,511

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

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

Net Change in Fund Balances of Governmental Funds	(712,658)
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 capital outlay exceeded depreciation during the year.	732,627
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the funds.	(17,929)
Change in Net Position of Governmental Activities	2,040

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

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

	Water Fund	Solid Waste Fund	Total
Assets:			
Current Assets:			
Cash and investments - Unrestricted	1,615,143	40,733	1,655,876
Cash and investments - Restricted	6,815,145	-	6,815,145
Receivables, net of allowance for doubtful accounts	48,510	34,033	82,543
Receivable - CWRPDA	4,852,212	-	4,852,212
Due from other funds	-	-	-
Inventories	-	-	-
Total Current Assets	13,331,010	74,766	13,405,776
Non-current Assets:			
Capital assets, not being depreciated	738,137	-	738,137
Capital assets, net of accumulated depreciation	4,620,887	-	4,620,887
Total Non-current Assets	5,359,024	-	5,359,024
Total Assets	18,690,034	74,766	18,764,800
Liabilities:			
Current Liabilities:			
Accounts payable	35,929	59,988	95,917
Accrued salaries and benefits	7,434	149	7,583
Accrued interest payable	44,210	-	44,210
Current portion of long-term debt	199,162	-	199,162
Total Current Liabilities	286,735	60,137	346,872
Non-current Liabilities:			
Accrued compensated absences	7,485	30	7,515
Loans payable	11,229,784	-	11,229,784
Note payable	857,124	-	857,124
Total Non-current Liabilities	12,094,393	30	12,094,423
Total Liabilities	12,381,128	60,167	12,441,295
Net Position:			
Net investment in capital assets	4,740,311	-	4,740,311
Unrestricted	1,568,595	14,599	1,583,194
Total Net Position	6,308,906	14,599	6,323,505

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

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

	Water Fund	Solid Waste Fund	Total
Operating Revenues:			
Water sales	679,019	-	679,019
Solid waste charges	-	358,924	358,924
Miscellaneous income	7,549	537	8,086
Total Operating Revenues	686,568	359,461	1,046,029
Operating Expenses:			
Solid waste	-	354,271	354,271
Administration	378,185	-	378,185
Water plant	137,337	-	137,337
Distribution	8,801	-	8,801
Water meters	81	-	81
Water supply	3,867	-	3,867
Depreciation	258,069	-	258,069
Total Operating Expenses	786,340	354,271	1,140,611
Operating Income (Loss)	(99,772)	5,190	(94,582)
Non-operating Revenues (Expenses):			
Interest income	21,729	-	21,729
Interest expense	(60,415)	-	(60,415)
Debt issuance costs	(120,482)	-	(120,482)
Grant income	300,724	-	300,724
Total Non-operating (Expenses)	141,556	-	141,556
Net Income (Loss) Before Capital Contributions	41,784	5,190	46,974
Capital contribution - Tap fees	86,363	-	86,363
Change in Net Position	128,147	5,190	133,337
Net Position - Beginning of Year	6,180,759	9,409	6,190,168
Net Position - End of Year	6,308,906	14,599	6,323,505

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

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

	Water Fund	Solid Waste Fund	Total
Cash Flows from Operating Activities:			
Cash received from customers and users	693,044	356,043	1,049,087
Cash paid for goods and services	(264,211)	(314,320)	(578,531)
Cash paid for salaries and benefits	(242,639)	(8,437)	(251,076)
Net Cash Provided (Used) by Operating Activities	186,194	33,286	219,480
Cash Flows From Capital Financing Activities:			
Tap fees received	86,363	-	86,363
Debt proceeds	6,515,076	-	6,515,076
Grant proceeds	300,724	-	300,724
Purchase of fixed assets	(227,475)	-	(227,475)
Principal payments	(129,145)	-	(129,145)
Interest payments	(45,834)	-	(45,834)
Issuance costs	(120,482)	-	(120,482)
Net Cash Provided (Used) by Capital Financing Activities	6,379,227	-	6,379,227
Cash Flows From Investing Activities:			
Interest received	21,729	-	21,729
Net Cash Provided (Used) by Investing Activities	21,729	-	21,729
Net Increase (Decrease) in Cash and Cash Equivalents	6,587,150	33,286	6,620,436
Cash and Cash Equivalents - Beginning of Year	1,843,138	7,447	1,850,585
Cash and Cash Equivalents - End of Year	8,430,288	40,733	8,471,021
Cash and Cash Equivalents - Ending is comprised of:			
Cash and cash equivalents - Unrestricted	1,615,143	40,733	1,655,876
Cash and cash equivalents - Restricted	6,815,145	-	6,815,145
Total - Cash and Cash Equivalents	8,430,288	40,733	8,471,021
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	(99,772)	5,190	(94,582)
Adjustments:			
Depreciation	258,069	-	258,069
(Increase) decrease in accounts receivable	6,476	(3,418)	3,058
Increase (decrease) in accounts payable	17,626	31,754	49,380
Increase (decrease) in accrued salaries and benefits	1,899	(240)	1,659
Increase (decrease) in accrued compensated absences	1,896	-	1,896
Total Adjustments	285,966	28,096	314,062
Net Cash Provided (Used) by Operating Activities	186,194	33,286	219,480

NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

The Town of Kremmling, Colorado (the "Town"), was incorporated in 1904 and operates under a Mayor/Council form of government. The Town provides the following services: public safety (police), highways and streets, parks and recreation, water and sanitation, public improvements, and general administrative services. The Town is located in Grand County, Colorado.

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

A. Reporting Entity

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

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

B. Government-wide Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's governmental functions include general government (administration), public safety (police department and mosquito control), public works (street maintenance), and culture and recreation. The Town's water utilities and solid waste service are classified as business-type activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities. The functions are primarily supported by general government revenues (property and sales taxes, intergovernmental revenue, investment earnings, etc.) while business-type activities rely to a significant extent on fees and charges for support. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, and operating and capital grants. Program revenues must be directly associated with the function (public safety, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The 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.

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements

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

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

The Town reports the following major governmental fund(s):

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

The Town reports the following non-major governmental funds:

The *Grant Fund* is used to account for grants received from State and Federal sources and other contributions for capital projects.

The *Conservation Trust Fund* accounts for State lottery proceeds and the related expenditures.

The *Recreation Fund* is used to account for providing recreation to the Town's citizens and visitors.

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

The *Water Fund* accounts for the delivery of water to the citizens of the Town.

The *Solid Waste Fund* accounts for the provision of solid waste removal services to the citizens of the Town.

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

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

1. Long-term Economic Focus and Accrual Basis

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

I. Summary of Significant Accounting Policies (continued)

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

2. Current Financial Focus and Modified Accrual Basis

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

3. Financial Statement Presentation

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

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

E. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Town.

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

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

1. Cash and Cash Equivalents (continued)

The Town follows Colorado state statutes as an investment policy, which 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 banker's 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 unit until the subsequent year. In accordance with GAAP, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflows of resources.

4. Capital Assets

Capital assets, which include land, water rights, water distribution systems, buildings and improvements, equipment, vehicles, and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the Town 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.

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

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

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

4. Capital Assets (continued)

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

Capital Assets	Years
Infrastructure	15
Buildings and improvements	40
Vehicles and equipment	7 - 10
Water distribution system	20 - 40

5. Compensated Absences

Vacation and sick benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is more likely than not that the Town will compensate employees for the benefits through paid time off or some other means. All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the liability in each individual fund at the fund reporting level. Governmental funds report the liability at the fund reporting level only "when due".

6. Long-term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt is reported as a liability in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

7. 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 amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

8. Interfund Transactions

Quasi-external transactions 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. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. Interfund Transactions (continued)

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds". Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as "internal balances".

9. Pensions

The Town's police department participates in the Statewide Retirement Plan (the "SRP") administered by the Fire and Police Pension Association of Colorado ("FPPA"). The SRP is a cost-sharing multiple-employer defined benefit Retirement Plan. The net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to / deductions from the fiduciary net position of the SRP have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Town has one item that qualifies for reporting under this category on the government-wide Statement of Net Position. Pension-related deferred outflows comprise pension contributions made after the measurement date, and the difference between projected and actual earnings, which will be recognized as a reduction of the net pension liability in future periods. For further details, see Note IV.G.1.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in the category. Property taxes, reported in the governmental Balance Sheet and on the Statement of Net Position, are deferred and recognized as an inflow from resources in the period that the amounts become available. Collective deferred inflows related to the Town's net pension obligation are reported on the Statement of Net Position and are amortized over the average remaining service life of all active and inactive SWDB Plan members. For further details, see Note IV.G.1.

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

11. Fund Equity

Governmental accounting standards establish fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of the funds, but also provide clarity as to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. 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 classifies governmental fund balances as follows:

- *Non-spendable* - includes fund balance amounts that inherently cannot be spent because they are not in spendable form; such as inventories, prepaid items, or long-term receivables.
- *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's Board of Trustees (the "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 Board or its management designees.
- *Unassigned* - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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

12. Restricted Assets

Certain proceeds of the Town's Water Fund debt are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants. As subsequently explained in the notes, restricted assets also include amounts set aside for an operations and maintenance reserve.

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 a 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 "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds". This difference is related to capital assets of $6,942,446 less accumulated depreciation of $4,092,240.

Additionally, the reconciliation states that "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." This item includes accrued compensated absences of $50,579.

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 reconciliation between the net change in fund balances of governmental funds per the Statement of Revenues, Expenditures and Changes in Fund Balances and the change in net position of governmental activities as reported in the government-wide Statement of Activities includes an element that explains "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." The $732,627 is made up of depreciation expense of $278,843 less capital outlays of $1,011,470.

Another element of that reconciliation explains "Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in the funds." The $17,929 adjustment of expense includes $(1,078) for changes in pension deferrals and a $19,005 increase in compensated absences.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with GAAP, except for the Water Fund. 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. The County Assessor may change the assessed valuation on or before December 15, 2023, only once by a single notification to the Town.

2. The Town Manager 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.

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

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) 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 1 in the year of collection; however, they may be paid in either one installment (no later than May 1) or two equal installments (not later than March 1 and June 15) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of 1% per month or fraction thereof until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16.

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. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary and fringe benefit increases. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved $95,000, which is the approximate required reserve at December 31, 2024, for this purpose.

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

On November 8, 1994, the Town's voters passed a measure to allow the Town, without any increase in the property tax mill levy and sales tax rates, to collect, retain and expend all revenues and other funds collected, from any source, during 1994 and each subsequent year; and to spend such revenues for (a) law enforcement and crime prevention, education, (b) snow removal and street sweeping, (c) street construction, repair and maintenance, (d) Town lawns, trees, parks and recreation, (e) plan in reserve for future capital projects, and (f) for other basic Town services and lawful municipal purposes; notwithstanding any state restriction on fiscal spending, including the restrictions of Article X, Section 20 of the Colorado Constitution.

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

IV. Detailed Notes on All Funds

A. Cash and Investments

The Town's deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). Amounts on deposit in excess of $250,000, the FDIC-insured limit at each participating institution, must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The collateral pool is to be maintained by another institution or held in trust for all the uninsured public as a group. The fair value of the collateral must equal or exceed 102% of the uninsured deposits. The carrying amount of the Town's demand deposits was $3,456,529 at year end.

At December 31, 2024, the Town held deposits and investments with the following maturities:

	Standard & Poors rating	Carrying amounts	Maturities Less than one year	Maturities More than one year
Deposits:				
Petty cash	Not rated	$ 250	250	-
Checking - Interest-bearing	Not rated	3,378,726	3,378,726	-
Savings and money market	Not rated	77,803	77,803	-
Total deposits		3,456,779	3,456,779	-
Investments:				
Investment pools	AAAm	7,376,525	7,376,525	-
Total cash and investments		$ 10,833,304	10,833,304	-

IV. Detailed Notes on All Funds (continued)

A. Cash and Investments (continued)

The Town's cash and investments are reported in the following financial statement captions:

	Governmental Activities	Business-type Activities	Total
Cash and investments - Unrestricted	$ 2,362,283	1,655,876	4,018,159
Cash and investments - Restricted	-	6,815,145	6,815,145
Total cash and investments	$ 2,362,283	8,471,021	10,833,304

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's investments had the following recurring fair value measurements:

Investments Measured at Net Asset Value	
Local government investment pools:	
COLOTRUST PLUS+	$ 6,402,130
COLOTRUST	$ 879,418

Investments Measured at Amortized Cost	
Local government investment pools:	
C-SAFE	$ 94,977

Investments classified in Level 1 are valued using prices quoted in active markets for those securities.

Pools: The Town's holdings in investment pools are comprised of balances with COLOTRUST and C-SAFE, which are investment vehicles established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to $1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The Town has no regulatory oversight for the pools. The fair value of the pool is determined by the pool's share price. The Town has no regulatory oversight for the pool. At December 31, 2024, the Town's investments in COLOTRUST and C-SAFE represented 99% and 1%, respectively, of the Town's investment portfolio.

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 investments term to less than five years from the purchase date. As a result of the limited length on maturities, the Town has limited its interest rate risk.

IV. Detailed Notes on All Funds (continued)

A. Cash and Investments (continued)

Credit Risk. The Town's investment policy limits investments to those authorized by State statutes as listed in Note I.E.1. 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.

Concentration of Credit Risk. The Town diversifies its investments by security type and institution. Financial institutions holding Town funds must provide the Town a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository. At December 31, 2024, the Town's investments in government pools represented 100% of the Town's investment portfolio.

B. Restricted Cash and Cash Equivalents

At December 31, 2024, the Town had restricted cash in the amount of $6,815,145 to satisfy bond and loan covenants. Cash in the Water Fund has been restricted for the following purposes:

Debt service reserve account - CWRPDA loan	$ 312,309
Debt service trustee account - CWRPDA loan	6,402,130
Debt service reserve account - CWCB loan	100,706
Total restricted cash	$ 6,815,145

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

C. Receivables

Receivables as of December 31, 2024 for the Town's funds, including applicable allowances for uncollectible accounts, were as follows:

	General Fund	Non-major Governmental Fund	Water Fund	Solid Waste Fund	Total
Sales taxes	$ 266,583	-	-	-	266,583
Property taxes	254,603	-	-	-	254,603
Sewer	66,733	-	-	-	66,733
Other	47,365	-	4,917,430	39,115	5,003,910
Gross Receivables	$ 635,284	-	4,917,430	39,115	5,591,829
Less: Allowance for uncollectibles	-	-	(16,708)	(5,082)	(21,790)
Net Receivables	$ 635,284	-	4,900,722	34,033	5,570,039

The Water Fund receivables consist of $4,852,212 in loan funds from CWRPDA yet to be drawn. See Note IV.E.3 for details.

IV. Detailed Notes on All Funds (continued)

D. Capital Assets

Capital asset activity for the Town's governmental activities for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 120,070	250,000	-	370,070
Total capital assets, not being depreciated	120,070	250,000	-	370,070
Capital assets, being depreciated:				
Infrastructure	2,353,594	482,149	-	2,835,743
Buildings and improvements	2,353,420	86,416	-	2,439,836
Vehicles and equipment	1,103,892	192,905	-	1,296,797
Total capital assets, being depreciated	5,810,906	761,470	-	6,572,376
Less accumulated depreciation for:				
Infrastructure	(1,636,865)	(155,674)	-	(1,792,539)
Buildings and improvements	(1,291,367)	(73,715)	-	(1,365,082)
Vehicles and equipment	(885,165)	(49,454)	-	(934,619)
Total accumulated depreciation	(3,813,397)	(278,843)	-	(4,092,240)
Total capital assets, being depreciated, net	1,997,509	482,627	-	2,480,136
Governmental activities capital assets, net	$ 2,117,579	732,627	-	2,850,206

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IV. Detailed Notes on all Funds (continued)

D. Capital Assets (continued)

Capital asset activity for the Town's business-type activities for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Water rights	$ 432,528	-	-	432,528
Construction in progress	202,310	103,300	-	305,610
Total capital assets, not being depreciated	634,838	103,300	-	738,138
Capital assets, being depreciated:				
Distribution systems	10,867,040	124,175	-	10,991,215
Vehicles and equipment	183,967	-	-	183,967
Total capital assets, being depreciated	11,051,007	124,175	-	11,175,182
Less accumulated depreciation for:				
Distribution systems	(6,159,355)	(253,700)	-	(6,413,055)
Vehicles and equipment	(136,872)	(4,369)	-	(141,241)
Total accumulated depreciation	(6,296,227)	(258,069)	-	(6,554,296)
Total capital assets, being depreciated, net	4,754,780	(133,894)	-	4,620,886
Business-type activities capital assets, net	$ 5,389,618	(30,594)	-	5,359,024

Depreciation expense for 2024 was charged to functions of the Town as follows:

Governmental activities:	
General government	$ 24,652
Public safety	30,937
Public works, including infrastructure	161,594
Culture and recreation	61,660
Total depreciation expense - Governmental activities	$ 278,843
Business-type activities:	
Water	$ 258,069
Total depreciation expense - Business-type activities	$ 258,069

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt

1. Colorado Water Conservation Board (“CWCB”) Note Payable

The Town entered into a loan agreement with the CWCB on September 15, 2004. The maximum loan amount was $1,689,750 and was used for the construction of an alternative water supply system. Actual amounts drawn on the loan as of March 19, 2007 (the final draw) were $1,636,693. Since the Town did not use the full amount of the loan, a service fee of 1% was added to the amount drawn by the Town, resulting in a total loan balance of $1,653,059.

Starting in 2008, combined principal and interest payments of $100,706 are due annually on April 1 with a final payment of $79,632 due in 2036. The interest rate on the loan is 4.25% per annum.

The loan is equitably and ratably secured by a lien on the net income and revenue of the water system, but does not necessarily constitute an exclusive first lien.

The Town is required to maintain water system rates at a level sufficient to cover operation, maintenance, and emergency services, as defined by the loan agreement.

The Town is also required to fund a reserve amount equal to 10% of its annual debt service payment (i.e., $10,071) on the due date of its first annual payment and annually thereafter for the first ten years of this loan. This reserve, which was fully funded at December 31, 2024, must be maintained until the loan is repaid.

2. Water Revenue Refunding Bonds, Series 2004

The Town issued $480,000 of revenue refunding bonds dated August 6, 2004, with annual interest rates ranging from 2.50% to 5.70%. Interest is payable June 1 and December 1, through 2025. The principal is payable on December 1 and matures in various increments through 2025.

The bonds of this issue are equitably and ratably secured by a lien on the net income and revenue of the water system, but do not necessarily constitute an exclusive first lien. The bonds are subject to redemption prior to maturity beginning on December 1, 2014, at par.

Bond covenants require the Town to maintain water rates sufficient to cover operating and maintenance expenses, 120% of principal and interest due on the bonds, and make up any deficiency in the reserve fund. The Town is required to fund a reserve as stipulated by the bond agreement. This reserve fund is equal to the least of: 1) 100% of the maximum annual debt service in any calendar year on outstanding bonds, 2) 10% of the principal amount of outstanding bonds, or 3) 125% of the average annual debt service on outstanding bonds.

During 2024, the Town paid off the entire outstanding balance of the Series 2004 bonds.

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt (continued)

3. Colorado Water Resources and Power Development Authority ("CWRPDA") 2024 Leveraged Loan

The Town entered into a loan agreement in the amount of $11,042,212 funded by CWRPDA issued bonds and other sources dated November 6, 2024, with annual interest rates ranging from 4.00% to 5.00% per annum. Principal and interest are payable February 1 and August 1 through 2054. Additionally, the Town pays semi-annual servicing fees of $44,169 to the CWRPDA.

During 2024, the Town received $6,394,594 in total bond proceeds, net of premium and issuance costs, into a restricted debt trustee account. The remaining $4,852,212 financed by other sources from the CWRPDA loan is available to be drawn and is recorded as a receivable in the Water Fund.

The loan is equitably and ratably secured by a lien on the net income and revenue of the water system, but do not necessarily constitute an exclusive first lien.

Loan covenants require the Town to maintain water rates sufficient to pay operating and maintenance expenses, 110% of principal and interest due on the loan, and to make up any deficiency in the reserve fund. The Town is required to fund a reserve, as stipulated by the loan agreement, which is equal to three months of operating and maintenance expenses, excluding depreciation, as set forth in the Town's annual budget.

4. Summary of Long-term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Accrued compensated absences *	$ 31,574	19,005	-	50,579	-
Total governmental activities long-term liabilities	$ 31,574	19,005	-	50,579	-
Business-type Activities:					
Water Revenue Bonds, Series 2004	$ 70,000	-	(70,000)	-	-
CWRPDA 2024 Leveraged Loan	-	11,042,212	-	11,042,212	137,504
Bond issued premium	-	325,076	-	325,076	-
Note payable - CWCB	977,927	-	(59,145)	918,782	61,658
Accrued compensated absences *	5,619	-	1,896	7,515	-
Total business-type activities long-term liabilities	$ 1,053,546	11,367,288	(127,249)	12,293,585	199,162

*The change in accrued compensated absences is presented as a net change.

Compensated absences for governmental activities are liquidated by the General Fund.

IV. Detailed Notes on All Funds (continued)

E. Long-term Debt (continued)

5. Debt Service Requirements

Aggregate debt service requirements at December 31, 2024 were as follows:

	Loan Payable		Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	137,504	211,226	61,658	39,048	199,162	250,274
2026	242,344	268,550	64,277	36,428	306,621	304,978
2027	249,548	260,550	67,010	33,696	316,558	294,246
2028	259,674	252,300	69,858	30,848	329,532	283,148
2029	270,062	243,800	72,827	27,879	342,889	271,679
2030 - 2034	1,479,374	1,083,500	413,279	90,252	1,892,653	1,173,752
2035 - 2039	1,717,512	841,500	169,873	10,466	1,887,385	851,966
2040 - 2044	1,945,991	611,600	-	-	1,945,991	611,600
2045 - 2049	2,168,664	392,200	-	-	2,168,664	392,200
2050 - 2054	2,571,539	161,600	-	-	2,571,539	161,600
Total business-type activities	$ 11,042,212	4,326,826	918,782	268,617	11,960,994	4,595,443

F. Interfund Transfers

The Town did not have any transfers between funds in 2024.

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IV. Detailed Notes on All Funds (continued)

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

1. FPPA Statewide Retirement Plan

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

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

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

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

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

The Plan is administered by the FPPA, which issues a publicly available annual comprehensive financial report that can be obtained on FPPA’s website at http://www.FPPAco.org.

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

A member is eligible for retirement after attaining age 55 with at least five years of credited service. A member is eligible for an early retirement after completion of 30 years of service or attaining age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Retirement Plan (continued)

Description of Benefits (continued). The annual retirement benefit for the Defined Benefit Component is 2.0% of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5% of the average of the member's highest three years' base salary for each year of service thereafter.

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

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

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

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

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

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Retirement Plan (continued)

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

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

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

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

The Hybrid Defined Benefit Component and Money Purchase Component members and their employers are currently each contributing at the rate determined by the individual employer. Effective January 1, 2023, the employer and member minimum contribution rates will increase by 0.125% annually until they reach a minimum rate of 9.00% each and at least a combined rate of 18.00% in 2030. In 2023, the total minimum combined member and employer contribution rate was 16.25%.

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

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Retirement Plan (continued)

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

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

Net Pension (Asset) Liability. At December 31, 2024, the Town reported a liability of $0 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2024. The Town's proportion of the net pension liability was based on Town contributions to the Plan for calendar year 2023, relative to the total contributions to the Plan by participating employers.

At the December 31, 2023 measurement, the Town's proportionate share was 0.011852%, as compared to 0.013498% at the December 31, 2022 measurement.

For the year ended December 31, 2024, the Town recognized pension revenue of $1,078. At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earnings on pension plan investments	$ 16,203	-
Changes in pension assumptions	13,092	-
Changes in pension experience difference	22,569	1,086
Changes in proportionate share of contributions	30,990	11,546
Contributions subsequent to measurement date	14,176	-
	$ 97,030	12,632

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Retirement Plan (continued)

Net Pension (Asset) Liability (continued). Contributions subsequent to the measurement date of December 31, 2023 – which are reported as deferred outflows of resources related to pensions – will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending December 31,	Amortization
2025	$ 13,339
2026	17,346
2027	22,755
2028	6,296
2029	5,380
Thereafter	5,106
	$ 70,222

Actuarial Assumptions. The collective total pension liability and actuarially determined contributions in the December 31, 2023 actuarial valuation were determined using the following actuarial assumptions and other inputs:

Actuarial Assumptions	Total Pension Liability	Actuarially Determined Contributions
Actuarial Valuation Date - January 1	2024	2023
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, open
Amortization Period	N/A	30 years
Long-term Investment Rate of Return *	7.0%	7.0%
Projected Salary Increases *	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%	0.0%
* Includes inflation at	2.5%	2.5%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuitant Mortality Tables for males and females, amount-weighted, and then projected using the ultimate values of the MP-2020 projection scale for all years. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Retirement Plan (continued)

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

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

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

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

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Retirement Plan (continued)

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

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

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

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

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

1. FPPA Statewide Retirement Plan (continued)

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1 % Increase (8.0%)
Proportionate share of net pension liability (asset)	$ 66,459	$ -	$ -

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position currently is available in FPPA's comprehensive annual financial report, which can be obtained at: http://www.fppaco.org/annual_reports.htm.

2. General Employees Deferred Compensation Plan – Section 457

All permanent, full-time (budgeted for 40 hours per week) Town employees, other than police officers, participate in a deferred compensation plan created in accordance with Internal Revenue Code ("IRC") section 457 (the "457 Plan"). The 457 Plan, which is administered by International City Management Association ("ICMA"), is a defined contribution pension plan and permits participants to defer a portion of the salary until future years. The deferred compensation is not available to employees until termination, retirement, or death.

All amounts of compensation deferred under the 457 Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the 457 Plan participants and their beneficiaries.

The accrual basis of accounting is used for the 457 Plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

The Town has no liability for losses under the 457 Plan but does have the duty of due care that would be required of an ordinary prudent investor.

In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, since the Town is not a trustee of the 457 Plan, it does not report the 457 Plan as a fund in the financial statements.

IV. Detailed Notes on All Funds (continued)

G. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

2. General Employees Deferred Compensation Plan – Section 457 (continued)

In addition to Social Security, the Town matched a 4.14% payroll deduction which totaled $26,301 in 2024. Employees may contribute additional amounts to the 457 Plan, up to maximum allowable limits as established under IRC section 457, but these amounts are not matched by the Town.

3. Police Deferred Compensation Plan – Section 457

All permanent, full-time Town police officers participate in a deferred compensation plan created in accordance with IRC section 457 (the "Police 457 Plan"). The Police 457 Plan, which is administered by Colorado Retirement Association ("CRA"; formerly known as County Officials and Employees Retirement Association or "CCOERA"), permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, or death.

All amounts of compensation deferred under the Police 457 Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the Police 457 Plan participants and their beneficiaries.

The accrual basis of accounting is used for the Police 457 Plan. Revenues are recognized when earned and expenditures are recognized when incurred. Investments are recorded at market value.

The Town has no liability for losses under the Police 457 Plan but does have the duty of due care that would be required of an ordinary prudent investor.

In accordance with GASB Statement No. 32*, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, since the Town is not a trustee of the Police 457 Plan, it does not report the Police 457 Plan as a fund in the financial statements.

In 1997, the Town passed a resolution that required Town contributions for all employees to be equal (police and non-police). As such, the annual contribution to the Police 457 Plan may vary from year to year, and is equal to the difference between the Town's contribution to ICMA (non-police) and FPPA (police). In 2024, the Town was required to match 0.14% of participating police officers' compensation in the Police 457 Plan. Police officer contributions to the Police 457 Plan are subject to maximum allowable limits as established under the IRC.

The Police 457 Plan vests at a rate of 1.67% per month and is fully vested after five years. As of December 31, 2024, the Police 457 Plan had 1 fully-vested employee and 3 non-vested employees. Unvested Town contributions for employees who leave employment before five years are used to reduce the Town's current period contribution requirement. There were no forfeitures and the Town's pension expense was $445 during the year ended December 31, 2024.

V. Other Information

A. Risk Management

The Town is exposed to various risks of loss related to workers' compensation and general liability. The Town has acquired commercial coverage for these risks and 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. To address such risks, the Town is a participant in a public entity risk pool administered by Colorado Intergovernmental Risk Sharing Agency ("CIRSA").

CIRSA's operations are funded by contributions from member governments. Coverage is provided in the amount of $250,000 per claim or occurrence for property, $1,000,000 per claim or occurrence for liability, and $150,000 per claim or occurrence for crime. CIRSA has also acquired additional excess coverage from outside sources. While the Town may be liable for any losses in excess of this coverage, the Town does not anticipate such losses at December 31, 2024. Surpluses or deficits realized by CIRSA for any given year are subject to change for such reasons as interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

The Town's share of CIRSA's fund equity as of December 31, 2024 is:

Property and Casualty Pool:	**Equity Ratio**
Operating Fund	0.201%
Loss Fund	-0.113%
Reserve Fund	0.196%
Workers' Compensation Pool:	
Operating Fund	0.312%
Loss Fund	-0.158%
Reserve Fund	0.661%

CIRSA's combined financial information for the year ended December 31, 2024, is summarized as follows:

Assets:	
Cash and investments	$ 96,369,979
Other assets	8,496,915
Total Assets	$ 104,866,894
Total liabilities	$ 67,056,273
Net position	$ 37,810,621
Total Revenues	$ 55,696,415
Total Expenses	(51,954,991)
Change in Net Position	$ 3,741,424

V. Other Information

B. Intergovernmental Agreement – Kremmling Sanitation District (the "District")

On January 13, 2003, the Town entered into an intergovernmental agreement with the District for mutually beneficial cooperative use of personnel and equipment. The agreement has an initial term of one year with an automatic annual renewal unless otherwise agreed by the parties. The agreement calls for each entity to prepare monthly invoices to the other for hours worked and equipment used.

C. Contingencies

1. Federal and State Grants and Financial Sources

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

2. Legal Claims

During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. The Town and legal counsel intend to vigorously defend such claims. In the opinion of the Town's management, such claims would not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the Town at December 31, 2024.

REQUIRED SUPPLEMENTAL INFORMATION

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

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
General property taxes	257,000	257,000	273,346	16,346	197,143
Specific ownership taxes	10,000	10,000	12,102	2,102	12,536
General sales and use taxes	1,640,000	1,640,000	1,681,464	41,464	1,725,963
Selective use taxes:					
Cigarette taxes	1,500	1,500	2,312	812	3,099
Franchise taxes	40,000	40,000	66,718	26,718	58,742
Other taxes	10,000	10,000	16,038	6,038	31,490
Interest on delinquent taxes	400	400	1,073	673	610
Total - Taxes	1,958,900	1,958,900	2,053,053	94,153	2,029,583
Licenses and Permits:					
Business	6,300	6,300	5,503	(797)	8,922
Non-business	1,000	1,000	85	(915)	446
Total - Licenses and Permits	7,300	7,300	5,588	(1,712)	9,368
Intergovernmental:					
Road and bridge mill levy	-	-	1,041	1,041	3,244
Motor vehicle taxes	5,500	5,500	7,078	1,578	8,048
Highway users taxes	55,000	55,000	74,485	19,485	59,929
Severance taxes	1,500	1,500	2,918	1,418	2,536
Sanitation District reimbursement	72,000	72,000	66,941	(5,059)	49,179
State grants	25,000	25,000	30,721	5,721	5,194
Total - Intergovernmental	159,000	159,000	183,184	24,184	128,130
Charges for Services:					
Cemetery	1,500	1,500	3,850	2,350	6,300
Planning and zoning	2,000	2,000	4,439	2,439	9,325
Hangar rent	13,000	13,000	10,576	(2,424)	14,630
Other - Public Works	5,000	5,000	8,758	3,758	1,579
Total - Charges for Services	21,500	21,500	27,623	6,123	31,834
Fines and Forfeitures:					
Court	30,000	30,000	17,927	(12,073)	36,185
Interest:					
Interest	16,000	16,000	57,523	41,523	37,169
Miscellaneous Revenues:					
Other	-	-	10,347	10,347	13,246
Total Revenues	2,192,700	2,192,700	2,355,245	162,545	2,285,515

(Continued)

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

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures:					
General Government:					
Judicial:					
Salaries and wages	14,560	14,560	15,187	(627)	9,813
Retirement and benefits	2,723	2,723	5,516	(2,793)	2,194
Professional services	9,000	9,000	8,400	600	9,032
Other	300	300	100	200	-
Total - Judicial	26,583	26,583	29,203	(2,620)	21,039
Mayor:					
Salaries and wages	41,400	41,400	31,103	10,297	27,250
Retirement and benefits	1,900	1,900	2,907	(1,007)	1,739
Other	1,750	1,750	19,248	(17,498)	1,185
Total - Mayor	45,050	45,050	53,298	(8,248)	30,174
Town Manager:					
Salaries and wages	80,826	80,826	90,106	(9,280)	70,767
Retirement and benefits	17,805	17,805	19,042	(1,237)	16,823
Other	3,550	3,550	4,187	(637)	4,581
Capital outlay	600	600	560	40	927
Total - Town Manager	102,781	102,781	113,895	(11,114)	93,098
Election:					
Salaries and wages	600	600	-	600	-
Other	2,450	2,450	-	2,450	4,498
Total - Election	3,050	3,050	-	3,050	4,498
Administration:					
Salaries and wages	166,817	166,817	169,105	(2,288)	137,057
Retirement and benefits	42,505	42,505	62,073	(19,568)	37,143
Professional services	89,950	89,950	73,555	16,395	109,232
Other	84,655	84,655	71,250	13,405	35,327
Utilities	11,850	11,850	8,039	3,811	7,463
Insurance	51,000	51,000	49,208	1,792	38,251
Capital outlay	30,000	295,000	254,193	40,807	32,028
Donations	87,100	87,100	82,309	4,791	93,668
Repairs and maintenance	1,200	1,200	4,537	(3,337)	248
Total - Administration	565,077	830,077	774,269	55,808	490,417

(Continued)

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

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures (continued):					
General Government (continued):					
Cemetery:					
Salaries and wages	19,626	19,626	36,060	(16,434)	17,383
Retirement and benefits	4,768	4,768	7,751	(2,983)	4,213
Other	8,900	8,900	2,950	5,950	5,624
Capital outlay	13,000	30,960	-	30,960	-
Utilities	450	450	339	111	380
Repairs and maintenance	500	500	371	129	-
Total - Cemetery	47,244	65,204	47,471	17,733	27,600
Airport:					
Other	17,000	17,000	3,000	14,000	-
Utilities	3,750	3,750	2,098	1,652	2,925
Total - Airport	20,750	20,750	5,098	15,652	2,925
Total - General Government	810,535	1,093,495	1,023,234	70,261	669,751
Public Safety:					
Police:					
Salaries and wages	465,145	465,145	497,354	(32,209)	377,306
Retirement and benefits	127,925	127,925	127,229	696	117,469
Professional services	38,000	38,000	29,063	8,937	37,955
Other	70,000	70,000	53,972	16,028	52,537
Capital outlay	48,400	121,000	117,658	3,342	69,697
Utilities	6,000	6,000	7,762	(1,762)	8,009
Dispatch fees	40,000	40,000	38,788	1,212	29,837
Repairs and maintenance	1,500	1,500	776	724	739
Vehicle expense	17,000	17,000	10,659	6,341	15,507
Total - Police	813,970	886,570	883,261	3,309	709,056
Mosquito Control:					
Other	89,500	89,500	66,021	23,479	65,183
Total Public Safety	903,470	976,070	949,282	26,788	774,239
Public Works:					
Salaries and wages	193,087	193,087	147,532	45,555	142,487
Retirement and benefits	72,123	72,123	59,565	12,558	65,361
Professional services	5,000	5,000	4,958	42	3,097
Other	40,450	40,450	31,590	8,860	16,899
Capital outlay	245,000	680,000	626,288	53,712	47,239
Utilities	28,300	28,300	22,508	5,792	23,847
Repairs and maintenance	104,500	104,500	22,656	81,844	36,065
Vehicle expense	6,500	6,500	7,129	(629)	5,939
Total - Public Works	694,960	1,129,960	922,226	207,734	340,934

(Continued)

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

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures (continued):					
Culture and Recreation - Parks:					
Salaries and wages	68,322	68,322	78,217	(9,895)	45,819
Retirement and benefits	15,700	15,700	14,836	864	12,156
Professional services	3,500	3,500	-	3,500	10
Other	14,625	14,625	11,766	2,859	12,388
Utilities	7,500	7,500	6,599	901	6,743
Repairs and maintenance	9,500	9,500	5,927	3,573	6,372
Capital outlay - Water	31,000	52,540	61,716	(9,176)	226,714
Total - Culture and Recreation	150,147	171,687	179,061	(7,374)	310,202
Total Expenditures	2,559,112	3,371,212	3,073,803	297,409	2,095,126
Excess (Deficiency) of Revenues Over Expenditures	(366,412)	(1,178,512)	(718,558)	459,954	190,389
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	11,191
Total Other Financing Sources (Uses)	-	-	-	-	11,191
Net Change in Fund Balance	(366,412)	(1,178,512)	(718,558)	459,954	201,580
Fund Balance - Beginning of Year	366,412	2,073,150	3,096,622	1,023,472	2,895,042
Fund Balance - End of Year	-	894,638	2,378,064	1,483,426	3,096,622

Town of Kremmling, Colorado
Schedule of the Town's Proportionate Share of Net Pension Asset/Liability
Fire and Police Pension Association of Colorado - Statewide Defined Benefit Plan
Last 10 Fiscal Years *

	2024	2023	2022	2021	2020
Town's portion of the net pension asset/liability	0.011852%	0.013498%	0.012302%	0.008156%	0.016464%
Town's proportionate share of the net pension (asset)/liability	-	11,981	(66,670)	(17,707)	(9,312)
Town's covered payroll	232,863	234,867	198,071	231,150	242,700
Town's proportionate share of the net pension (asset)/liability as a percentage of its covered payroll	0%	5%	-34%	-8%	-4%
Plan fiduciary net position as a percentage of the total pension asset/liability	100.00%	97.60%	116.20%	106.70%	101.90%

	2019	2018	2017	2016	2015
Town's portion of the net pension asset/liability	0.021915%	0.026300%	0.025054%	0.026365%	0.027258%
Town's proportionate share of the net pension (asset)/liability	27,707	(37,837)	9,053	(465)	(30,763)
Town's covered payroll	293,600	269,200	256,450 #	255,625	245,150
Town's proportionate share of the net pension (asset)/liability as a percentage of its covered payroll	9%	-14%	4%	0%	-13%
Plan fiduciary net position as a percentage of the total pension asset/liability	95.20%	106.30%	98.21%	100.10%	106.80%

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

Town of Kremmling, Colorado
Schedule of Town Contributions
Fire and Police Pension Association of Colorado - Statewide Defined Benefit Plan
Last 10 Fiscal Years *

	2024	2023	2022	2021	2020
Contractually required contribution	14,176	11,061	10,569	8,418	9,246
Contributions in relation to the contractually required contribution	(14,176)	(11,061)	(10,569)	(8,418)	(9,246)
Contribution deficiency (excess)	-	-	-	-	-
Town's covered payroll	283,520	232,863	234,867	198,071	231,150
Contributions as a percentage of covered payroll	5.00%	4.75%	4.50%	4.25%	4.00%

	2019	2018	2017	2016	2015
Contractually required contribution	9,708	11,744	10,768	10,258	10,225
Contributions in relation to the contractually required contribution	(9,708)	(11,744)	(10,768)	(10,258)	(10,225)
Contribution deficiency (excess)	-	-	-	-	-
Town's covered payroll	242,700	293,600	269,200	256,450	255,625
Contributions as a percentage of covered payroll	4.00%	4.00%	4.00%	4.00%	4.00%

I. Notes to the Required Supplementary Information - FPPA

A. Changes to Assumptions or Other Inputs

1. Changes Since the January 1, 2023 Actuarial Valuation

Increasing the step-rate increase portion of the salary scale by 0.50% per year for the first 4 years of a member's career and 0.25% for years 5 through 14; reducing the overall payroll growth assumption from 3.50% to 3.0%; updating the base assumptions for mortality to the Pub-2010 tables for Public Safety and updating the table used to build in generational improvements in mortality for the future to the ultimate rates of the MP table 202 for all years; and for the Statewide Death & Disability Plan increase the total disability rates by 50% for members covered by a money purchase plan.

2. Changes Since the January 1, 2021 Actuarial Valuation

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

3. Changes Since the January 1, 2018 Actuarial Valuation

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rate from the RP-2014 annuitant mortality tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

4. Changes Since the January 1, 2015 Actuarial Valuation

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

5. Changes Since the January 1, 2014 Actuarial Valuation

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

SUPPLEMENTARY INFORMATION

Town of Kremmling, Colorado
Combining Balance Sheet
Non-major Governmental Funds
December 31, 2024

	Special Revenue Funds			
	Conservation Trust Fund	Recreation Fund	Grant Fund	Total
Assets:				
Cash and investments - Unrestricted	109,907	23,540	1,341	134,788
Total Assets	109,907	23,540	1,341	134,788
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	-	-	1,341	1,341
Total Liabilities	-	-	1,341	1,341
Fund Balances:				
Restricted	109,907	-	-	109,907
Committed	-	23,540	-	23,540
Total Fund Balances	109,907	23,540	-	133,447
Total Liabilities and Fund Balances	109,907	23,540	1,341	134,788

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

Town of Kremmling, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Funds			
	Conservation Trust Fund	Recreation Fund	Grant Fund	Total
Revenues:				
Intergovernmental	18,159	-	28,265	46,424
Charges for services	-	9,813	-	9,813
Interest	97	-	-	97
Other - Contributions	24,700	-	-	24,700
Total Revenues	42,956	9,813	28,265	81,034
Expenditures:				
General government	-	-	40,353	40,353
Culture and recreation	29,504	5,277	-	34,781
Total Expenditures	29,504	5,277	40,353	75,134
Net Change in Fund Balances	13,452	4,536	(12,088)	5,900
Fund Balances - Beginning of Year	96,455	19,004	12,088	127,547
Fund Balances - End of Year	109,907	23,540	-	133,447

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

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

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental - Colorado Lottery proceeds	15,000	15,000	18,159	3,159	21,556
Interest	-	-	97	97	116
Other - Contributions	-	30,000	24,700	(5,300)	30,000
Total Revenues	15,000	45,000	42,956	(2,044)	51,672
Expenditures:					
Culture and recreation:					
Conservation Trust expenditures	15,000	44,000	29,504	14,496	51,652
Total Expenditures	15,000	44,000	29,504	14,496	51,652
Excess (Deficiency) of Revenues Over Expenditures	-	1,000	13,452	12,452	20
Other Financing (Uses):					
Transfers (out)	-	-	-	-	(11,191)
Net Change in Fund Balance	-	1,000	13,452	12,452	(11,171)
Fund Balance - Beginning of Year	-	-	96,455	96,455	107,626
Fund Balance - End of Year	-	1,000	109,907	108,907	96,455

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

Town of Kremmling, Colorado
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Special Revenue Funds - Recreation Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Charges for services - Activity fees	6,000	10,000	9,813	(187)	7,496
Total Revenues	6,000	10,000	9,813	(187)	7,496
Expenditures:					
Culture and recreation:					
Activities	6,000	10,000	5,277	4,723	5,637
Total Expenditures	6,000	10,000	5,277	4,723	5,637
Net Change in Fund Balance	-	-	4,536	4,536	1,859
Fund Balance - Beginning of Year	-	25,530	19,004	(6,526)	17,145
Fund Balance - End of Year	-	25,530	23,540	(1,990)	19,004

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

Town of Kremmling, Colorado
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Special Revenue Funds - Grant Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Intergovernmental - State grants	-	60,000	28,265	(31,735)	600
Intergovernmental - Federal grants	-	-	-	-	73,313
Total Revenues	-	60,000	28,265	(31,735)	73,913
Expenditures:					
General government	-	60,000	40,353	19,647	73,913
Total Expenditures	-	60,000	40,353	19,647	73,913
Net Change in Fund Balance	-	-	(12,088)	(12,088)	-
Fund Balance - Beginning of Year	-	-	12,088	12,088	12,088
Fund Balance - End of Year	-	-	-	-	12,088

Town of Kremmling, Colorado
Schedule of Revenues, Expenditures, and Transfers
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
Proprietary Funds - Water Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Water sales	661,017	661,017	679,019	18,002	642,668
Miscellaneous income	8,800	8,800	7,549	(1,251)	6,355
Grant income	-	420,000	300,724	(119,276)	-
Interest	5,100	5,100	21,729	16,629	13,248
Tap fees	55,000	55,000	86,363	31,363	106,000
Total Revenues	729,917	1,149,917	1,095,384	(54,533)	768,271
Expenditures:					
Administration:					
Salaries and wages	172,109	172,109	188,659	(16,550)	136,902
Retirement and benefits	64,509	64,509	57,775	6,734	53,346
Professional services	75,000	494,000	111,346	382,654	52,941
Other	13,750	13,750	4,496	9,254	15,028
Insurance	6,520	6,520	7,127	(607)	6,250
Repairs and maintenance	1,000	1,000	648	352	-
Vehicle expense	3,500	3,500	8,134	(4,634)	5,367
Total - Administration	336,388	755,388	378,185	377,203	269,834
Water Plant:					
Professional services	45,000	65,000	62,913	2,087	59,213
Other	11,600	11,600	3,491	8,109	6,167
Utilities	39,000	39,000	32,757	6,243	34,312
Capital outlay	-	250,000	227,975	22,025	2,389
Repairs and maintenance	15,000	15,000	7,794	7,206	4,446
Chemicals	30,000	30,000	29,882	118	31,002
Total - Water Plant	140,600	410,600	364,812	45,788	137,529
Distribution System:					
Professional services	15,000	15,000	161	14,839	2,701
Other	3,000	3,000	353	2,647	533
Utilities	450	450	358	92	402
Repairs and maintenance	14,000	14,000	7,929	6,071	9,416
Total - Distribution System	32,450	32,450	8,801	23,649	13,052

(Continued)

Town of Kremmling, Colorado
Schedule of Revenues, Expenditures, and Transfers
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
Proprietary Funds - Water Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)
(Continued)

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Expenditures (continued):					
Water Meters:					
Other	3,500	3,500	-	3,500	2,364
Capital outlay	40,000	40,000	81	39,919	-
Repairs and maintenance	500	500	-	500	-
Total - Water Meters	44,000	44,000	81	43,919	2,364
Water Supply:					
Other	1,300	1,300	1,200	100	1,200
Utilities	3,500	3,500	2,667	833	2,829
Repairs and maintenance	2,000	2,000	-	2,000	-
Total - Water Supply	6,800	6,800	3,867	2,933	4,029
Debt Service:					
Water revenue bonds - Principal	30,000	70,000	70,000	-	30,000
Water revenue bonds - Interest	8,000	10,000	4,273	5,727	5,637
Notes payable - Principal	50,000	50,000	59,144	(9,144)	56,733
Notes payable - Interest	46,000	46,000	41,562	4,438	43,975
Debt issuance costs	-	-	120,482	(120,482)	-
Total - Debt Service	134,000	176,000	295,461	(119,461)	136,345
Total Expenditures	694,238	1,425,238	1,051,207	374,031	563,153
Excess (Deficiency) of Revenues Over Expenditures and Transfers - Budget (Non-GAAP) Basis	35,679	(275,321)	44,177	319,498	205,118
Reconciliation to GAAP Basis:					
Depreciation			(258,069)		(263,101)
Capitalized assets			227,475		-
Debt principal payments			129,144		86,733
Accrued interest change			(14,580)		3,819
Change in Net Position - GAAP Basis			128,147		32,569

Town of Kremmling, Colorado
Schedule of Revenues, Expenses, and Transfers
Budget and Actual
Proprietary Funds - Solid Waste Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts for 2023)

	2024				2023
	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Revenues:					
Solid waste charges	375,446	375,446	358,924	(16,522)	321,581
Miscellaneous income	-	-	537	537	537
Total Revenues	375,446	375,446	359,461	(15,985)	322,118
Expenses:					
Salaries and wages	6,650	6,650	5,201	1,449	9,579
Retirement and benefits	10,561	10,561	2,996	7,565	6,185
Professional services	329,568	329,568	341,621	(12,053)	311,364
Other	11,725	11,725	4,453	7,272	8,004
Total Expenses	358,504	358,504	354,271	4,233	335,132
Change in Net Position	16,942	16,942	5,190	(11,752)	(13,014)

LOCAL HIGHWAY FINANCE REPORT

Town of Kremmling, Colorado
Local Highway Finance Report
December 31, 2024

Annual Highway Finance Report - CY24

Email address: townclerk@townofkremmling.org
City/County: Kremling

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	$	842,900.00
3. Other local imposts: *(from A.3. 'Total' below)*	$	15,150.48
4. Miscellaneous local receipts: *(from A.4. 'Total' below)*	$	17,927.17
5. Transfers from toll facilities	$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	$	0.00
b. Bonds - Refunding Issues:	$	0.00
c. Notes:	$	0.00
SubTotal:	$	875,977.65
B. Private Contributions	$	0.00

Town of Kremmling, Colorado
Local Highway Finance Report
December 31, 2024
(Continued)

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3. ¦ Other local imposts		
a. Property Taxes &and Assessments	$	0.00
b. Other Local Imposts		
1. Sales Taxes:	$	0.00
2. Infrastructure and Impact Fees:	$	0.00
3. Liens:	$	0.00
4. Licenses:	$	0.00
5. Specific Ownership and/or Other:	$	15,150.48
Total: (a + b) carried to 'Other local imposts' above)	$	15,150.48
A.4. ¦ Miscellaneous local receipts		
a. Interest on Investments:	$	0.00
b. Traffic fines and Penalities:	$	17,927.17
c. Parking Garage Fees:	$	0.00
d. Parking Meter Fees:	$	0.00
e. Sale of Surplus Property:	$	0.00
f. Charges for Services:	$	0.00
g. Other Misc. Receipts:	$	0.00
h. Other:	$	0.00
Total: (a through h) carried to 'Misc local receipts' above)	$	17,927.17
C. Receipts from State Government		
1. Highway User Taxes:	$	73,791.90
3. Other State funds:		
c. Motor Vehicle Registrations:	$	7,078.43
d. Other (Specify): Comments: undefined	$	0.00
e. Other (Specify): Comments: undefined	$	0.00
Total: (1+3c,d,e)	$	80,870.33

Town of Kremmling, Colorado
Local Highway Finance Report
December 31, 2024
(Continued)

D. Receipts from Federal Government

2. Other Federal Agencies

a. Forest Service:	$	0.00
b. FEMA:	$	0.00
c. HUD:	$	0.00
d. Federal Transit Administration:	$	0.00
e. U.S. Corp of Engineers	$	0.00

D. Receipts from Federal Government

2. Other Federal Agencies

a. Forest Service:	$	0.00
b. FEMA:	$	0.00
c. HUD:	$	0.00
d. Federal Transit Administration:	$	0.00
e. U.S. Corp of Engineers	$	0.00
f. Other Federal:	$	0.00
Total: (a-f)	$	0.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: (from A.1.c. Total Capital Outlay below)	$	513,119.30
2. Maintenance:	$	13,684.21
3. Road and street services		
a. Traffic control operations:	$	1,922.63
b. Snow and ice removal:	$	4,510.33
c. Other:	$	0.00
4. General administration and miscellaneous	$	0.00
5. Highway law enforcement and safety	$	0.00
Total: (A.1-5)	$	533,236.47

B. Debt service on local obligations

1. Bonds		
a. Interest	$	0.00
b. Redemption	$	0.00
2. Notes		
a. Interest	$	0.00
b. Redemption	$	0.00
SubTotal: (1+2)	$	0.00

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: (from A.1.d. 'Total Capital Outlay' below)	$	513,119.30
2. Maintenance:	$	13,684.21
3. Road and street services		
a. Traffic control operations:	$	1,922.63
b. Snow and ice removal:	$	4,510.33
c. Other:	$	0.00
4. General administration and miscellaneous	$	0.00
5. Highway law enforcement and safety	$	0.00
Total: (A.1-5)	$	533,236.47

B. Debt service on local obligations

1. Bonds		
a. Interest	$	0.00
b. Redemption	$	0.00
2. Notes		
a. Interest	$	0.00
b. Redemption	$	0.00
SubTotal: (1+2)	$	0.00

C. Payments to State for Highways:	$	0.00
D. Payments to Toll Facilities:	$	0.00
Total Disbursements: (A+B+C+D)	$	533,236.47

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL

A.1. Capital Outlay

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	$ 0.00	$ 0.00	$ 0.00
b. Engineering Costs:	$ 12,700.00	$ 18,300.00	$ 31,000.00
c. Construction			
1. New Facilities:	$ 0.00	$ 0.00	$ 0.00
2. Capacity Improvements:	$ 110,359.00	$ 371,760.30	$ 482,119.30
3. System Preservation:	$ 0.00	$ 0.00	$ 0.00
4. System Enhancement:	$ 0.00	$ 0.00	$ 0.00
5. Total Construction:			$ 482,119.30
d. Total Capital Outlay: (Lines A.1.a. + 1.b. + 1.c.5)			$ 513,119.30

Receipts, Disbursements & Costs

IV. Local Highway Debt Status

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
1. Bonds (Refunding Portion)		$ 0.00	$ 0.00	$ 0.00
B. Notes (Total):	$ 0.00	$ 0.00	$ 0.00	$ 0.00

IV. Local Highway Debt Status

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
1. Bonds (Refunding Portion)		$ 0.00	$ 0.00	$ 0.00
B. Notes (Total):	$ 0.00	$ 0.00	$ 0.00	$ 0.00

Town of Kremmling, Colorado
Local Highway Finance Report
December 31, 2024
(Continued)

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
$ 0.00	$ 956,847.98	$ 533,236.47	$ 0.00	$ -423,611.51

Notes and Comments:
undefined

Please enter your name: Teagan Serres
Please provide a telephone number where you may be reached: 970-724-3249

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Contact: Paige Castaneda | Email: Paige.Castaneda@state.co.us | Phone: 303.512.4914