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**CITY OF CRIPPLE CREEK,  
COLORADO**  
FINANCIAL STATEMENTS  
DECEMBER 31, 2024

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## Independent Auditors' Report

Honorable Mayor and  
Members of the City Council  
City of Cripple Creek, Colorado

### Report On Audit Of The Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of City of Cripple Creek, Colorado (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

#### *Basis For Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auding Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Financial Statements section of our report. We are required to be independent of the City 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.

### ***Emphasis Of Matters***

#### *New Accounting Standards*

As discussed in Note 1, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### *Correction Of Errors*

As discussed in Note 14, the City corrected the beginning net position and fund balances due to correction of errors made in previous years. Our opinion is not modified with respect to this matter.

### ***Responsibilities Of Management For The Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages I through VI, budgetary comparison information on pages 46 - 47 and 50, the schedule of the City's proportionate share of the net pension liability (asset) and the schedule of the City's contributions to the pension plan and related ratios on pages 48 and 49 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 GASB, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison schedule for the Water and Sewer Fund and the Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

***Other Reporting Required By Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*RubinBrown LLP*

October 9, 2025

## CITY OF CRIPPLE CREEK, COLORADO

### MANAGEMENT'S DISCUSSION AND ANALYSIS for Year Ended December 31, 2024

Our discussion and analysis of the City of Cripple Creek's financial performance provides an overview of the City's financial activities for the fiscal year ending December 31, 2024. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the City of Cripple Creek.

#### A. FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows exceed liabilities and deferred inflows by \$49,831,989 (i.e., net position) at the end of the year, an increase of \$1,726,141, or 3.6%, from the prior year.
- Governmental activities reported unrestricted net position of \$11,107,483, an increase of \$1,687,489, or 17.9%, in comparison to the prior year.
- The City's unassigned fund balance for the General Fund was \$10,878,900, an increase of \$1,431,621, or 15.2%, in comparison to the prior year.
- The City's total long-term liabilities were \$931,265, a decrease of \$145,277, or 13.4%, at the end of year. This debt is primarily associated with the water and wastewater system.

#### B. 2024 HIGHLIGHTS

- Affordable Housing: In 2024, City Council elected to create a nonprofit housing authority. The Gold Camp Housing Partners consists of a 7-member board. City Council elected to contribute the original Federal ARPA funds of \$316,217 plus the interest earned from the funds to the nonprofit. The City continues to work with various developers who are interested in providing affordable housing to the community.
- The gaming industry experienced gains in 2024. Coin-In/Table Drop were up 7.9% and Adjusted Gross Proceeds (AGP) were up 11.2%.

#### C. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Cripple Creek's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private sector business. The statement of net position presents information on all assets, liabilities, and deferred inflows, 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 financial position 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 cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. Both government-wide financial statements distinguish functions 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). Governmental activities include general government, public safety, streets and highways, culture and recreation, and historic preservation. The business type activities include sewer and water.

**Fund financial statements.** A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The City's funds can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds.** Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that is available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's General Fund and Historic Preservation Fund financial condition and operations and the basic services they provide. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are described in a reconciliation statement.

**Proprietary Funds.** Proprietary funds are maintained as follows: the Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The City reports on its water and sewer operations as an Enterprise Fund.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### **D. GOVERNMENT-WIDE FINANCIAL ANALYSIS**

On December 31, 2024, total net position was \$49,831,989, an increase of \$1,726,141, or 3.6%, from the prior year. The increase was largely due to increases in investments as the City rebuilt its' fund balances after being reduced significantly in 2020 by COVID revenue losses. A large portion of the net position is the investment in capital assets (net of related debt) which accounts for 66.7% of total net position. This amount reflects the investment in all capital assets less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens and are not available for future spending. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, represents 25.2% of total net position. The restricted net position includes historic preservation (92%), TABOR emergency set aside (8%) and debt service (less than 1%).

The following table summarizes the City's net position (Assets/Liabilities):

City of Cripple Creek's Summary of Net Position

	Governmental		Business		Total		Total	
	Activities	Activities	Activities	Activities	2024	2023	2024	2023
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Assets:</b>								
Current assets	\$ 15,309,172	\$ 13,825,210	\$ 1,554,457	\$ 1,134,939	\$ 16,863,629	\$ 14,960,149		
Long-term assets			110,040	104,375	110,040	104,375		
Capital assets	15,400,565	15,714,415	18,776,889	19,015,697	34,177,454	34,730,112		
<b>Total Assets</b>	<b>30,709,737</b>	<b>29,539,625</b>	<b>20,441,386</b>	<b>20,255,011</b>	<b>51,151,123</b>	<b>49,794,636</b>		
<b>Deferred Outflows of Resources</b>								
Deferred loss on refunding			7,090	7,983	7,090	7,983		
Deferred pension outflow	562,713	623,384			562,713	623,384		
<b>Total Deferred Outflows of Resources</b>	<b>562,713</b>	<b>623,384</b>	<b>7,090</b>	<b>7,983</b>	<b>569,803</b>	<b>631,367</b>		
<b>Liabilities:</b>								
Current liabilities	558,592	825,936	148,753	146,134	707,345	972,070		
Long-term liabilities	283,837	362,772	647,428	720,886	931,265	1,083,658		
<b>Total Liabilities</b>	<b>842,429</b>	<b>1,188,708</b>	<b>798,297</b>	<b>867,020</b>	<b>1,640,726</b>	<b>2,055,728</b>		
<b>Deferred Inflows of Revenues:</b>								
Property tax revenue	214,661	207,665			214,661	207,665		
Leases	13,627	20,440				20,440		
Deferred pension inflow	29,693	36,232			29,693	36,232		
<b>Total Deferred Inflows of Resources</b>	<b>257,981</b>	<b>264,337</b>		-	<b>244,354</b>	<b>264,337</b>		
<b>Net Position:</b>								
Net investment in capital assets	15,327,551	15,595,110	18,081,089	18,540,593	33,408,640	34,135,703		
Restricted	3,744,660	3,413,452	110,040	104,375	3,854,700	3,517,827		
Unrestricted	11,107,483	9,419,994	1,461,166	1,037,834	12,568,649	10,739,236		
<b>Total Net Position</b>	<b>\$ 30,179,694</b>	<b>\$ 28,428,556</b>	<b>\$ 19,652,295</b>	<b>\$ 19,682,802</b>	<b>\$ 49,831,989</b>	<b>\$ 48,111,358</b>		

The following table summarizes the City's changes in net position (Revenue/Expense):

City of Cripple Creek's Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
<i>Program Revenues:</i>						
Charges for Service	\$ 1,182,041	\$ 733,082	\$ 1,589,336	\$ 1,876,254	\$ 2,771,377	\$ 2,609,336
Grants, contributions, etc.	1,476,129	741,990	375,035		1,851,164	741,990
Total Program Revenues	2,658,170	1,475,072	1,964,371	1,998,033	4,622,541	3,351,326
<i>General Revenues:</i>						
Property Taxes	219,682	151,044			219,682	151,044
Sales & Lodging Taxes	1,914,042	1,971,627			1,914,042	1,971,627
Gaming Taxes	3,251,541	3,073,322			3,251,541	3,073,322
Other Taxes	27,614	24,596			27,614	24,596
Device Fees	4,605,346	4,041,727			4,605,346	4,041,727
Investment Earnings	678,478	550,206	41,003	42,121	719,481	592,327
Miscellaneous	344,766	317,055	66,869	89,158	411,635	406,213
Transfers		9,500		(9,500)	-	-
Total General Revenues	11,041,469	10,139,077	107,872	121,779	11,149,341	10,260,856
<b>Total Revenues</b>	<b>13,699,639</b>	<b>11,614,149</b>	<b>2,072,243</b>	<b>1,998,033</b>	<b>15,771,882</b>	<b>13,612,182</b>
<b>Expenses:</b>						
General Government	\$ 4,893,702	4,044,156			4,901,902	4,044,156
Public Safety	3,989,043	3,496,652			3,989,043	3,496,652
Streets	1,452,068	1,482,840			1,451,522	1,482,840
Culture and Recreation	1,605,091	1,012,797			1,605,091	1,012,797
Interest	3,087	8,334			3,087	8,334
Water and Sewer			2,102,750	2,335,481	2,104,866	2,335,481
<b>Total Expenses</b>	<b>11,942,991</b>	10,044,779	<b>2,102,750</b>	<b>2,335,481</b>	<b>14,055,511</b>	<b>12,380,260</b>
Change in Net Position	1,756,648	1,569,370	(30,507)	(337,448)	1,710,861	1,237,432
<b>Beginning Net Position</b>	<b>28,423,046</b>	26,853,676	<b>19,682,802</b>	<b>20,020,250</b>	<b>48,105,848</b>	<b>46,873,926</b>
<b>Ending Net Position</b>	<b>\$ 30,179,694</b>	<b>\$ 28,423,046</b>	<b>\$ 19,652,295</b>	<b>\$ 19,682,802</b>	<b>\$49,831,989</b>	<b>\$ 48,105,848</b>

## E. FINANCIAL ANALYSIS OF GOVERNMENT FUNDS

**Governmental funds.** The focus of governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2024, the city's governmental funds reported combined ending fund balance of \$14,623,560, an increase of \$2,049,752, or 14%, over the prior year. Of the combined ending fund balance for all governmental funds, 74.4% of this amount, or \$10,878,900, constitutes unassigned fund balance, which is available for appropriation at the city's discretion. The city has two governmental funds. They are General and Historic Preservation Funds.

The General Fund is the primary operating fund for the City of Cripple Creek. At the end of 2024, the unassigned fund balance for the General Fund was \$10,878,900. This unassigned fund balance is approximately 107% of the total 2024 expenditures of the General Fund.

The Historic Preservation Fund accounts for all revenue and expenses related to the City's historic preservation efforts, both physical and cultural. At the end of 2024, the Historic Preservation (restricted) Fund balance available for expenditure was \$3,441,824, an increase of \$288,010, or 9.1%. These funds are labeled as restricted because they can only be used for historic preservation purposes.

**Proprietary funds.** The City has one Enterprise Fund which accounts for sewer and water operations. Year-end unrestricted net position of the sewer and water fund amounted to \$1,461,166 in 2024, an increase of \$423,332, or 41%. The increase was primarily related to increased revenues in 2024. Year-end total net position amounted to \$19,652,295 in 2024, a decrease of \$30,507, or 1.7 tenths of a percent.

## **F. BUDGETARY HIGHLIGHTS**

During the year, the City received DOLA grants of \$210,000 for the Comprehensive Plan and the Cripple Creek Land Use Code Revisions. Full House Resorts donated the \$100,000 match for the Comprehensive Plan. The Parks and Recreation Department received over \$128,000 in donations. A portion of the donations are being used to purchase ramps for the Skate Park.

## **G. CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The City of Cripple Creek showed a decrease of \$552,658, or 1.6%, in capital assets for its governmental and business type activities in 2024, this was due to depreciation expense.

**Long-term Debt.** At the end of 2024, the total outstanding long-term debt (principal and interest) of the City was \$803,475, a decrease of \$89,562, or 10% from 2023. The debt is attributable to business-type activities (water/sewer).

## **H. ECONOMIC CONDITIONS AFFECTING THE CITY**

- The City of Cripple Creek continues to maintain strong reserve balances to be able to weather general economic downturns and more specifically economic changes in the gaming industry.
- The reduction of the number of gaming devices in the town is of significant concern to the City. The number of devices has still not recovered and is down 544 machines, or 15.2%, from the pre-pandemic first quarter of 2020 to the fourth quarter of 2024. Device fees are the City's single largest source of revenue.
- Gaming tax distributions to the General Fund increased by \$127,710, or 6%. The Historic Preservation Fund's tax distribution increased \$50,509, or 5.3%, compared to 2023. Gaming Taxes are the City's second largest source of revenue.
- Lodging tax revenue increased \$81,767, or 25% compared to 2023, as tourism and gaming visits rebound. The City's quantity of rooms has increased due to the opening of the Chamonix Hotel in December 2023. Sales tax revenue has decreased \$139,352, or 8.5% compared to 2023. In January 2024, Resolution 2023-32, the 1% sales tax increase to fund the continuation and expansion of the vocational and career/technical education programs through the Cripple Creek-Victor School District Re-1 took effect.

## **I. REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's finance director at (719) 689-2502.

# CITY OF CRIPPLE CREEK, COLORADO

## STATEMENT OF NET POSITION

December 31, 2024

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 47,612	\$ 632,867	\$ 680,479
Investments	14,497,995	722,424	15,220,419
Receivables:			
Accounts	534,923	199,166	734,089
Property taxes	214,661	—	214,661
Leases	13,981	—	13,981
<b>Capital Assets</b>			
Nondepreciable capital assets	8,898,764	3,429,096	12,327,860
Depreciable capital assets, net	6,509,455	15,347,793	21,857,248
<b>Other Long-Term Assets</b>			
Restricted investments	—	110,040	110,040
<b>Total Assets</b>	30,717,391	20,441,386	51,158,777
<b>Deferred Outflows Of Resources</b>			
Deferred loss on refunding	—	7,090	7,090
Deferred pension outflows	562,713	—	562,713
<b>Total Deferred Outflows Of Resources</b>	562,713	7,090	569,803
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	248,318	30,514	278,832
Accrued expenses	209,006	12,750	221,756
Accrued interest	780	4,094	4,874
Unearned revenues	—	24,303	24,303
Compensated absences payable, current	60,731	7,092	67,823
Vehicle note payable, current	39,757	—	39,757
Bonds payable, current	—	70,000	70,000
<b>Long-Term Liabilities</b>			
Vehicle note payable	40,911	—	40,911
Compensated absences payable	242,926	14,538	257,464
Bonds payable	—	615,000	615,000
Bond premium	—	17,890	17,890
<b>Total Liabilities</b>	842,429	796,181	1,638,610
<b>Deferred Inflows Of Resources</b>			
Property tax revenue	214,661	—	214,661
Leases	13,627	—	13,627
Deferred pension inflows	29,693	—	29,693
<b>Total Deferred Inflows Of Resources</b>	257,981	—	257,981
<b>Net Position</b>			
Net investment in capital assets	15,327,551	18,081,089	33,408,640
Restricted for:			
Emergencies	302,836	—	302,836
Historic preservation	3,441,824	—	3,441,824
Debt service	—	110,040	110,040
Unrestricted	11,107,483	1,461,166	12,568,649
<b>Total Net Position</b>	\$ 30,179,694	\$ 19,652,295	\$ 49,831,989

# CITY OF CRIPPLE CREEK, COLORADO

## STATEMENT OF ACTIVITIES For The Year Ended December 31, 2024

Function/Program	Expenses	Program Revenues			Net Revenue (Expenses) And Changes In Net Position		
		Charges For Services And Sales	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ 4,893,702	\$ 652,898	\$ 438,527	\$ —	\$ (3,802,277)	\$ —	\$ (3,802,277)
Public safety	3,989,043	8,126	483,214	—	(3,497,703)	—	(3,497,703)
Streets	1,452,068	—	540,382	—	(911,686)	—	(911,686)
Culture and recreation	1,605,091	521,017	14,006	—	(1,070,068)	—	(1,070,068)
Interest	3,087	—	—	—	(3,087)	—	(3,087)
<b>Total Governmental Activities</b>	<b>11,942,991</b>	<b>1,182,041</b>	<b>1,476,129</b>	<b>—</b>	<b>(9,284,821)</b>	<b>—</b>	<b>(9,284,821)</b>
<b>Business-Type Activities</b>							
Water and sewer	2,102,750	1,589,336	—	375,035	—	(138,379)	(138,379)
<b>Total - Primary Government</b>	<b>\$ 14,045,741</b>	<b>\$ 2,771,377</b>	<b>\$ 1,476,129</b>	<b>\$ 375,035</b>	<b>(9,284,821)</b>	<b>(138,379)</b>	<b>(9,423,200)</b>
General revenues:							
					219,682	—	219,682
					1,914,042	—	1,914,042
					3,251,541	—	3,251,541
					27,614	—	27,614
					4,605,346	—	4,605,346
					678,478	41,003	719,481
					344,766	66,869	411,635
					<b>11,041,469</b>	<b>107,872</b>	<b>11,149,341</b>
					1,756,648	(30,507)	1,726,141
					28,709,964	14,646,060	43,356,024
					(286,918)	5,036,742	—
					28,423,046	19,682,802	48,105,848
					\$ 30,179,694	\$ 19,652,295	\$ 49,831,989

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# CITY OF CRIPPLE CREEK, COLORADO

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## BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2024

	Assets		
	General	Historic Preservation	Total Governmental Funds
Cash and cash equivalents	\$ 252	\$ 47,360	\$ 47,612
Investments	11,069,321	3,428,674	14,497,995
Receivables:			
Accounts	356,873	11,551	368,424
Property taxes	381,160	—	381,160
Leases	13,981	—	13,981
<b>Total Assets</b>	<b>\$ 11,821,587</b>	<b>\$ 3,487,585</b>	<b>\$ 15,309,172</b>

### Liabilities, Deferred Inflows Of Resources And Fund Balance

#### Liabilities

Accounts payable	\$ 213,803	\$ 34,515	\$ 248,318
Accrued expenditures	197,760	11,246	209,006
<b>Total Liabilities</b>	<b>411,563</b>	<b>45,761</b>	<b>457,324</b>

#### Deferred Inflows Of Resources

Property tax revenue	214,661	—	214,661
Leases	13,627	—	13,627
<b>Total Deferred Inflows Of Resources</b>	<b>228,288</b>	<b>—</b>	<b>228,288</b>

#### Fund Balance

Restricted	302,836	3,441,824	3,744,660
Unassigned	10,878,900	—	10,878,900
<b>Total Fund Balance</b>	<b>11,181,736</b>	<b>3,441,824</b>	<b>14,623,560</b>

#### Total Liabilities, Deferred Inflows Of Resources And Fund Balance

	\$ 11,821,587	\$ 3,487,585	\$ 15,309,172
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# CITY OF CRIPPLE CREEK, COLORADO

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION December 31, 2024

<b>Total Governmental Fund Balances</b>		\$ 14,623,560
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.		
Nondepreciable capital assets		8,898,764
Depreciable capital assets	\$ 46,349,694	
Less: Accumulated depreciation	<u>(39,840,239)</u>	6,509,455
Pension plan accounts, such as deferred inflows/outflows and net pension liability, are not receivable or payable in the current period and, therefore, are not reported in the funds.		
Net pension liability		562,713
Deferred outflows of resources		(29,693)
Deferred inflows of resources		
Vehicle notes payable and related balances are not due and payable in the current period and, therefore, are not reported in the funds.		
Vehicle note principal		(80,668)
Accrued interest payable		(780)
Compensated absences are not reported in the funds statements until due, but are reported in the statement of net position when the liability is incurred.		
		<u>(303,657)</u>
<b>Net Position Of Governmental Activities</b>		<u><u>\$ 30,179,694</u></u>

## CITY OF CRIPPLE CREEK, COLORADO

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For The Year Ended December 31, 2024

	<b>General</b>	<b>Historic Preservation</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Property taxes	\$ 219,682	\$ —	\$ 219,682
Sales taxes	1,505,796	—	1,505,796
Lodging taxes	408,246	—	408,246
Gaming taxes	2,250,677	1,000,864	3,251,541
Other taxes	27,614	—	27,614
Device fees	4,605,346	—	4,605,346
Intergovernmental	1,413,142	—	1,413,142
Licenses and permits	172,540	—	172,540
Charges for service	300,496	—	300,496
Fines and forfeitures	7,068	—	7,068
Investment earnings	525,417	153,061	678,478
Rental income	179,862	235,497	415,359
Operating grants, contributions and interest	—	62,987	62,987
Ticket and retail sales	1,058	285,520	286,578
Miscellaneous	275,235	69,531	344,766
<b>Total Revenues</b>	<b>11,892,179</b>	<b>1,807,460</b>	<b>13,699,639</b>
<b>Expenditures</b>			
Current:			
General government	4,166,173	714,923	4,881,096
Public safety	3,800,035	—	3,800,035
Streets	1,033,922	—	1,033,922
Culture and recreation	753,319	804,400	1,557,719
Capital outlay	334,891	127	335,018
Debt service:			
Principal retirements	38,637	—	38,637
Interest payments	3,460	—	3,460
<b>Total Expenditures</b>	<b>10,130,437</b>	<b>1,519,450</b>	<b>11,649,887</b>
<b>Net Change In Fund Balances</b>	<b>1,761,742</b>	<b>288,010</b>	<b>2,049,752</b>
<b>Fund Balances, Beginning Of Year, As Previously Stated</b>	<b>9,706,912</b>	<b>3,153,814</b>	<b>12,860,726</b>
Restatement	(286,918)	—	(286,918)
<b>Fund Balances, Beginning Of Year, As Restated</b>	<b>9,419,994</b>	<b>3,153,814</b>	<b>12,573,808</b>
<b>Fund Balances, End Of Year</b>	<b>\$ 11,181,736</b>	<b>\$ 3,441,824</b>	<b>\$ 14,623,560</b>

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**CITY OF CRIPPLE CREEK, COLORADO**

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**RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES TO THE  
STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2024**

<b>Net Change In Fund Balances - Total Governmental Funds</b>		<b>\$ 2,049,752</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:</p>		
Depreciation expense	\$ (729,341)	
Capital outlay	<u>423,145</u>	(306,196)
<p>Pension amounts do not use current financial resources and, therefore, are not reported in the governmental funds.</p>		
		28,902
<p>Repayment of vehicle note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the government-wide statement of net position.</p>		
		38,637
<p>Interest is accrued on outstanding bonds in the statement of activities whereas in the governmental funds, an interest expenditure is reported when due.</p>		
		373
<p>Compensated absences reported in the government-wide statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Liability at December 31, 2024	(303,657)	
Liability at December 31, 2023	<u>248,837</u>	
Changes in compensated absences		<u>(54,820)</u>
<b>Change In Net Position Of Governmental Activities</b>		<b><u>\$ 1,756,648</u></b>

# CITY OF CRIPPLE CREEK, COLORADO

## STATEMENT OF NET POSITION - WATER AND SEWER FUND December 31, 2024

### Assets

#### Current Assets

Cash and cash equivalents	\$ 632,867
Investments	722,424
Accounts receivable	199,166
<b>Total Current Assets</b>	<b>1,554,457</b>

#### Noncurrent Assets

Restricted assets:	
Investments	110,040
Capital assets:	
Nondepreciable capital assets	3,429,096
Depreciable capital assets, net	15,347,793
<b>Total Noncurrent Assets</b>	<b>18,886,929</b>

<b>Total Assets</b>	<b>20,441,386</b>
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#### Deferred Outflows Of Resources

Deferred loss on refunding	7,090
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### Liabilities And Net Position

#### Current Liabilities

Accounts payable	30,514
Accrued wages	12,750
Accrued interest	4,094
Unearned revenues	24,303
Compensated absences payable	7,092
Bonds payable, current portion	70,000
<b>Total Current Liabilities</b>	<b>148,753</b>

#### Long-Term Liabilities

Compensated absences payable	14,538
Bonds payable	615,000
Bond premium	17,890
<b>Total Long-Term Liabilities</b>	<b>647,428</b>

<b>Total Liabilities</b>	<b>796,181</b>
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#### Net Position

Net investment in capital assets	18,081,089
Restricted - debt service	110,040
Unrestricted	1,461,166

<b>Total Net Position</b>	<b>\$ 19,652,295</b>
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## CITY OF CRIPPLE CREEK, COLORADO

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### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - WATER AND SEWER FUND For The Year Ended December 31, 2024

<b>Operating Revenues</b>	
Water fees	\$ 1,142,410
Sewer fees	430,315
Tap fees	16,611
Miscellaneous	66,869
<b>Total Operating Revenues</b>	<u>1,656,205</u>
<b>Operating Expenses</b>	
Professional services	117,628
Supplies	45,049
Personnel services	619,484
Maintenance and repairs	268,489
Utilities and telephone	189,774
Depreciation	772,975
Other	66,243
<b>Total Operating Expenses</b>	<u>2,079,642</u>
<b>Operating Loss</b>	<u>(423,437)</u>
<b>Nonoperating Revenues (Expenses)</b>	
Interest and fiscal charges	(23,108)
Interest earnings	41,003
<b>Total Nonoperating Revenues (Expenses)</b>	<u>17,895</u>
<b>Income (Loss) Before Capital Contributions And Transfers</b>	(405,542)
<b>Capital Contributions And Transfers</b>	
Capital contributions	<u>375,035</u>
<b>Change In Net Position</b>	(30,507)
<b>Net Position, Beginning Of Year, As Previously Stated</b>	14,646,060
Restatements	<u>5,036,742</u>
<b>Net Position, Beginning Of Year, As Restated</b>	<u>19,682,802</u>
<b>Net Position, End Of Year</b>	<u><u>\$ 19,652,295</u></u>

# CITY OF CRIPPLE CREEK, COLORADO

## STATEMENT OF CASH FLOWS - WATER AND SEWER FUND

For The Year Ended December 31, 2024

<b>Cash Flows From Operating Activities</b>	
Cash received from customers	\$ 1,807,236
Cash payments to employees for personnel services	(616,993)
Cash payments for goods and services	(695,034)
<b>Net Cash Provided By Operating Activities</b>	<u>495,209</u>
<b>Cash Flows From Capital And Related Financing Activities</b>	
Capital contribution	375,035
Principal paid on revenue bonds	(65,000)
Interest paid on capital financing	(24,563)
Payments for capital asset acquisitions	(534,167)
<b>Net Cash Used In Capital And Related Financing Activities</b>	<u>(248,695)</u>
<b>Cash Flows From Investing Activities</b>	
Investment earnings	41,003
Purchases of investments	(291,002)
<b>Net Cash Used In Investing Activities</b>	<u>(249,999)</u>
<b>Net Increase In Cash And Cash Equivalents</b>	(3,485)
<b>Cash And Equivalents - Beginning Of Year, As Restated</b>	<u>636,352</u>
<b>Cash And Equivalents - End Of Year</b>	<u>\$ 632,867</u>
<b>Reconciliation Of Operating Loss To Net Cash Used In Operating Activities</b>	
Operating loss	\$ (423,437)
<b>Adjustments</b>	
Depreciation	772,975
(Increase) decrease in assets:	
Accounts receivable	149,252
Increase (decrease) in liabilities:	
Accounts payable	(7,851)
Accrued wages	825
Unearned revenue	1,779
Compensated absences payable	1,666
<b>Net Cash Provided By Operating Activities</b>	<u>\$ 495,209</u>

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# CITY OF CRIPPLE CREEK, COLORADO

## NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2024

### 1. Summary Of Significant Accounting Policies

The financial statements of City of Cripple Creek, Colorado (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the City's accounting policies are described below.

#### **Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization or (2) the City is legally entitled to or can otherwise access the organization's resources or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt. Based upon these criteria, the City is the total reporting entity, and no component units are included.

#### **Basis Of Presentation**

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

## **CITY OF CRIPPLE CREEK, COLORADO**

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### Notes To Basic Financial Statements (*Continued*)

***Government-Wide Financial Statements*** - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. Individual funds are not displayed, but the statements distinguish governmental activities, generally supported by taxes and grants and the City's general revenues, from business-type activities, generally financed in whole or in part with user fees charged to external customers. The effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of net position presents the financial position of the governmental and business-type activities of the City at year end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and, therefore, clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income and (3) capital grants and contributions which fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City. Other revenue sources not properly included with program revenues are reported as general revenues of the City.

## **CITY OF CRIPPLE CREEK, COLORADO**

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### Notes To Basic Financial Statements (*Continued*)

***Fund Financial Statements*** - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns.

***Fund Accounting*** - The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

***Governmental Funds*** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may, or must, be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and deferred outflows, and liabilities and deferred inflows, as fund balance. The following are the City's major governmental funds:

The General Fund - The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund's balance is available to the City for any purpose, provided it is expended or transferred according to the general laws of Colorado.

Historic Preservation Fund - This fund is used to account for resources received from gaming taxes and various charges for services, which are to be used to rebuild and promote the City and the community through the preservation and protection of the City's historic environment and its National Historic Landmark District status.

***Proprietary Fund*** - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary fund is classified as a major enterprise fund, consisting of the following:

Water and Sewer Fund - This fund is used to account for resources received from water and sewer fees to provide water and sewer services to City residents.

## **CITY OF CRIPPLE CREEK, COLORADO**

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### Notes To Basic Financial Statements (*Continued*)

#### **Measurement Focus**

***Government-wide Financial Statements*** - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

***Fund Financial Statements*** - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, the enterprise fund is accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

#### **Basis Of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. The enterprise fund uses the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue and in the presentation of expenses versus expenditures.

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

## **CITY OF CRIPPLE CREEK, COLORADO**

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### Notes To Basic Financial Statements (*Continued*)

**Revenues - Exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year end.

**Revenues - Nonexchange Transactions** - Nonexchange transactions, in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, gaming taxes, device fees, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Property taxes are assessed in one year for the subsequent year’s budget. Therefore, at December 31, in the government-wide financial statements, the City reports property taxes receivable and an equal amount of deferred inflows of resources. On a modified accrual basis, revenue from nonexchange transactions also must be available (i.e., collected within 60 days) before it can be recognized on the governmental funds statement of revenues, expenditures and changes in fund balances. If not collected within 60 days of year end, the property tax receivable is recorded as a deferred inflow of resources.

Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used, or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, device fees, gaming taxes, interest and federal and state grants.

### **Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

## **CITY OF CRIPPLE CREEK, COLORADO**

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### Notes To Basic Financial Statements (*Continued*)

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred inflows of resources (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as unearned revenue or as deferred inflows of resources.

#### **Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time an obligation (liability) is incurred, regardless of the timing of the cash flows. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

#### **Cash, Cash Equivalents And Investments**

For the purpose of presentation on the statement of cash flows, cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. Investments are stated at fair value based on quoted market prices.

#### **Receivables**

All trade, notes and property tax receivables are reported net of an allowance for uncollectables, where applicable.

#### **Property Taxes**

Property taxes are levied on December 15 of each year and attach as an enforceable lien on the property as of January 1 of the following year. Taxes are payable in full on April 30, or in two installments on February 28 and June 15. Liens are attached to the assessed property if taxes become delinquent.

## CITY OF CRIPPLE CREEK, COLORADO

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### Notes To Basic Financial Statements (*Continued*)

#### Capital Assets

Governmental capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position, but does not report these assets in the City fund financial statements. Capital assets used by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise fund statement of net position.

All capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received.

The City's infrastructure includes roads, bridges, storm sewers, sidewalks, curbs and gutters, intersections, street lights, parks, street signs and water and sewer lines. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land, water rights and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<b>Description</b>	<b>Governmental Activities' Estimated Lives</b>	<b>Business-Type Activities' Estimated Lives</b>
Buildings	25 years	25 - 40 years
Machinery and equipment	5 years	4 - 10 years
Vehicles	5 - 20 years	4 - 10 years
Reservoir, plant and systems	—	15 - 60 years
Infrastructure	3 - 35 years	—

**Deferred Outflows/Inflows Of Resources**

In addition to assets, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has recognized deferred outflows of resources in the government-wide financial statements in accordance with presentation requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, as well as deferred loss amounts related to debt refunding transactions.

In addition to liabilities, the statement of net position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property tax revenue that is related to a future period is recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the government-wide and fund financial statements in the period that the amounts were levied for. The City has also recognized deferred inflows of resources in the government-wide financial statements in accordance with presentation requirements of GASB 68, and leases in the government-wide and fund financial statements.

**Compensated Absences**

Vacation 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 probable the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits do not vest, and therefore are accrued only up to the expected rate at which the leave would be used by the employee in the future. All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements for both governmental activities and the business-type activities. The enterprise fund also reports the total compensated absence liability at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

## **CITY OF CRIPPLE CREEK, COLORADO**

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### Notes To Basic Financial Statements (*Continued*)

#### **Leases**

For arrangements where the City is a lessee, a lease liability and a right-to-use (RTU) intangible asset are recognized at the commencement of the lease term. RTU assets represent the City's right to use an underlying asset for the lease term and lease liabilities represent the City's obligation to make lease payments arising from the lease. RTU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of the lease payments over the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The RTU asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. and is amortized on a straight-line basis over its useful life. RTU assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. As of December 31, 2024, the City has no leases, where the City was a lessee, that met the requirements of analysis and calculation under GASB 87.

For arrangements in which the City is the lessor, a lease receivable and a deferred inflow of resources is recognized at the commencement of the lease term, on both the fund which is expected to receive the lease payments, and on the government-wide statement. The deferred inflows of resources are measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate, that represents the rate at which it could borrow funds for a term equivalent to the lease agreements, as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

## **CITY OF CRIPPLE CREEK, COLORADO**

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### Notes To Basic Financial Statements (*Continued*)

Any lease determined to have a noncancellable period shorter than 12 months at its inception is a short-term lease, and is not required analysis and calculation under the provisions of GASB 87.

#### **Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Debt premiums and discounts and deferred amounts on refunding, if any, are deferred and amortized over the life of the debt instrument using the straight-line method. Outstanding debt instruments are reported net of the applicable premiums and discounts.

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of debt instruments issued during the current period is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **Pensions**

For purposes of measuring the net pension liability or asset, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Statewide Retirement Plan (SRP) and additions to/deductions from SRP's fiduciary net position have been determined on the same basis as they are reported by the SRP. For these purposes, 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.

#### **Fund Equity**

Fund equity at the governmental fund financial reporting level is classified as fund balance. Fund equity for all other reporting is classified as net position.

## **CITY OF CRIPPLE CREEK, COLORADO**

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### Notes To Basic Financial Statements (*Continued*)

**Fund Balance** - Generally, fund balance represents the difference between current assets, deferred outflows, current liabilities and deferred inflows. Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The City restricts amounts that have limitations imposed by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. Committed fund balance is reported pursuant to resolutions passed by the City Council, the City's highest level of decision-making authority. Committed fund balance includes amounts that can only be used for specific purposes. Commitments may be modified or rescinded only through resolutions approved by the City Council. Assigned fund balance includes amounts constrained for a specific purpose by the governing body or a committee or official that has been designated authority by the City Council to assign amounts. The Finance Director is designated as the person to determine fund balance amounts that will be reported as assigned on the City's year-end financial statements. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

In the case where there are various components of fund balance available to be spent for a specific purpose, the City's policy is to spend the most restricted funds first.

**Net Position** - Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net positions are reported as unrestricted.

### **Operating Revenues And Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for water and sewer services. Operating expenses are necessary costs incurred to provide these services.

## **CITY OF CRIPPLE CREEK, COLORADO**

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### Notes To Basic Financial Statements (*Continued*)

#### **Contributions Of Capital**

Contributions of capital in enterprise fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system or from grants or outside contributions of resources restricted to capital acquisition and construction.

#### **Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another, without a requirement for repayment, are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the nonoperating revenues/expenses section in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are also eliminated.

#### **Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

#### **Stewardship, Compliance And Accountability**

***Budgetary Information*** - The City adopts an annual operating budget for the General Fund, each special revenue fund and the enterprise fund. The budget resolution reflects the total of each department's appropriation in each fund.

The governmental fund budgets are adopted on a basis consistent with GAAP. The budget for the enterprise fund is adopted on a non-GAAP, modified accrual budgetary basis.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget is the individual fund level. Any change in total to a fund appropriation requires approval of the City Council.

## **CITY OF CRIPPLE CREEK, COLORADO**

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### Notes To Basic Financial Statements (*Continued*)

The Finance Director may approve budget transfers between departments and/or functions. During the year, the Finance Director approved minor budget revisions within each department. All unexpended annual appropriations lapse at year end.

#### **New Accounting Pronouncements**

As of January 1, 2024, the City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*, and GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (a) leave that has not been used and (b) leave that has been used but not yet paid in cash or settled through noncash means. The effect of GASB Statement 101's implementation is immaterial to City's financial statements and therefore beginning balances have not been restated for this standard.

## **2. Cash And Investments**

#### **Deposits**

The Colorado Public Deposit Protection Act (PDPA) of 1989 requires that all units of local government deposit cash in eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

**CITY OF CRIPPLE CREEK, COLORADO**

Notes To Basic Financial Statements *(Continued)*

**Custodial Credit Risk** - This is the risk that, in the event of a bank failure, the City’s deposits may not be returned to it. As of December 31, 2024, the City’s deposits were not exposed to custodial credit risk, as all deposits were insured by the Federal Deposit Insurance Corporation or collateralized in accordance with PDPA. At December 31, 2024, the City had bank deposits of \$803,677 collateralized with securities held by the financial institution’s agent but not in the City’s name. The City does not have a deposit policy for custodial credit risk beyond Colorado State Statute requirements.

**Restricted Investments**

The Water and Sewer Fund (an enterprise fund) is required to establish a bond reserve account related to the 2019 refunding bonds, restricted for the payment of the bonds and related interest. As of December 31, 2024, the Bond Reserve Account held a balance of \$110,040 to meet the requirement. The City holds the investment in a Colorado Government Liquid Asset Trust (COLOTRUST or the Trust) account.

**Investments**

Colorado State Statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include the following:

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

As of December 31, 2024, the City’s investments had the following maturities:

Investment Type For The City	Fair Value	Less Than 1 Year	Credit Rating
COLOTRUST	\$ 15,330,459	\$ 15,330,459	AAAm
<b>Total Investments Controlled By The City</b>	<b>\$ 15,330,459</b>	<b>\$ 15,330,459</b>	

**CITY OF CRIPPLE CREEK, COLORADO**

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Notes To Basic Financial Statements (*Continued*)

The City has invested \$15,330,459 in COLOTRUST at December 31, 2024. The Trust is an investment vehicle established by state statute for local government entities in Colorado to pool surplus funds for investment purposes. The State Securities Commission administers and enforces all state statutes governing public investment pools. The investment is an external investment pool that reports at the fair value per share of the pool’s underlying portfolio. The unit of account is each share held, and the value of the position is the fair value of the pool’s share price multiplied by the number of shares held. For pricing and redeeming shares, COLOTRUST maintains a stable net asset value (NAV) of \$1 per share, which approximates fair value. The government-investor does not “look through” the pool to report a pro rata share of the pool’s investments, receivables and payables. All COLOTRUST investments are reported at NAV. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+, which are both rated AAAM by Standard & Poor’s. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Financial statements and information about the pool for COLOTRUST may be obtained through its website at [www.colotrust.com](http://www.colotrust.com). COLOTRUST may, without the necessity of a formal meeting of their Board, temporarily suspend the right of redemption or postpone the date of payment for redeemed shares under certain specific conditions described in their trust indenture, and during any financial emergency when it is not reasonably practicable because of substantial losses which might be incurred.

**Total Cash, Cash Equivalents And Investments**

Total cash and cash equivalents	\$ 680,479
Total investments and restricted investments	<u>15,330,459</u>
<b>Total Cash, Cash Equivalents And Investments</b>	<u><u>\$ 16,010,938</u></u>

**Interest Rate Risk** - Beyond Colorado State Statute requirements, the City has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. No investment may be purchased with a final maturity of greater than five years.

**Credit Risk** - State law limits investments to the above-mentioned investment vehicles to the top two ratings issued by nationally recognized statistical rating organizations. The City has an investment policy that would further limit its investment choices, which allows only investments with a credit rating of AA- or better.

**CITY OF CRIPPLE CREEK, COLORADO**

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Notes To Basic Financial Statements (*Continued*)

**Custodial Credit Risk** - The City places certain limits, ranging from 10% to 50% of its total portfolio, on the amount that may be invested in any one issuer, except for investments in money market mutual funds or local government investment pools, which are unrestricted investment types per the City’s investment policy.

**Concentration Risk** - The City has 100% of its total investments with COLOTRUST. However, GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, and the City’s investment policy do not recognize investments in external investment pools as being an exposure to concentration risk.

**3. Receivables**

Receivables at December 31, 2024 consisted of taxes, fees and billings for user charges, leases and other grant reimbursements outstanding. Receivables are recorded on the City’s financial statements to the extent that the amounts are determined to be material and substantiated, not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation and collectability. As the City determined all receivables to be collectible, no allowance for doubtful accounts was recorded as of December 31, 2024.

**Lease Receivables**

On November 9, 2022, the City entered into an office space lease with UCHealth. The initial term of the lease is for four years, with no option periods. Lease principal and interest received during the year ended December 31, 2024 was \$6,697 and \$503, respectively.

Principal and interest expected to maturity of this lease receivable is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 6,891	\$ 309	\$ 7,200
2026	7,090	109	7,199
<b>Total</b>	<b>\$ 13,981</b>	<b>\$ 418</b>	<b>\$ 14,399</b>

# CITY OF CRIPPLE CREEK, COLORADO

## Notes To Basic Financial Statements (Continued)

### 4. Capital Assets

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

	Balance December 31, 2023	Additions	Deductions	Balance December 31, 2024
<b>Government Activities</b>				
Capital assets not being depreciated:				
Land	\$ 8,119,262	\$ —	\$ —	\$ 8,119,262
Construction in process	503,948	275,554	—	779,502
<b>Total Capital Assets Not Being Depreciated</b>	8,623,210	275,554	—	8,898,764
<b>Other Capital Assets</b>				
Buildings	14,893,145	—	—	14,893,145
Equipment	2,985,222	91,400	—	3,076,622
Roads	15,801,919	8,200	—	15,810,119
Storm sewers	2,334,281	—	—	2,334,281
Sidewalks, curbs and gutters	3,204,375	—	—	3,204,375
Intersections	737,362	—	—	737,362
Street lights	1,092,679	—	—	1,092,679
Bridges	377,594	—	—	377,594
Vehicles	3,919,071	37,991	109,882	3,847,180
Parks	897,170	10,000	—	907,170
Street signs	69,167	—	—	69,167
<b>Total Other Capital Assets</b>	46,311,985	147,591	109,882	46,349,694
<b>Total Cost</b>	54,935,195	423,145	109,882	55,248,458
<b>Accumulated Depreciation</b>				
Buildings	12,203,906	308,038	—	12,511,944
Equipment	2,743,392	80,297	—	2,823,689
Roads	14,867,960	117,819	—	14,985,779
Storm sewers	1,734,581	66,693	—	1,801,274
Sidewalks, curbs and gutters	1,497,162	90,820	—	1,587,982
Intersections	736,572	—	—	736,572
Street lights	1,073,369	17,752	—	1,091,121
Bridges	317,180	15,104	—	332,284
Vehicles	3,191,282	2,103	109,882	3,083,503
Parks	786,211	30,715	—	816,926
Street signs	69,165	—	—	69,165
<b>Total Accumulated Depreciation</b>	39,220,780	729,341	109,882	39,840,239
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	\$ 15,714,415	\$ (306,196)	\$ —	\$ 15,408,219

## CITY OF CRIPPLE CREEK, COLORADO

### Notes To Basic Financial Statements (*Continued*)

Governmental activities depreciation expenses were allocated as follows:

	<u>2024</u>
General government	\$ 45,913
Public safety	217,910
Streets	418,146
Culture and recreation	<u>47,372</u>
<b>Total Governmental Activities Depreciation</b>	<b><u>\$ 729,341</u></b>

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

	Balance December 31, 2023 As Restated	Additions	Deductions	Balance December 31, 2024
<b>Business-Type Activities</b>				
Capital assets not being depreciated:				
Land	\$ 973,015	\$ —	\$ —	\$ 973,015
Construction in progress	324,711	473,116	—	797,827
Water rights	1,658,254	—	—	1,658,254
<b>Total Capital Assets Not Being Depreciated</b>	<u>2,955,980</u>	<u>473,116</u>	<u>—</u>	<u>3,429,096</u>
<b>Other Capital Assets</b>				
Land improvements	12,271,155	—	—	12,271,155
Water system	14,755,031	43,271	—	14,798,302
Sewer system	2,382,547	—	—	2,382,547
Sewer plant	2,478,332	—	—	2,478,332
Equipment	1,655,414	17,780	—	1,673,194
<b>Total Other Capital Assets</b>	<u>33,542,479</u>	<u>61,051</u>	<u>—</u>	<u>33,603,530</u>
<b>Total Capital Asset Cost</b>	<u>36,498,459</u>	<u>534,167</u>	<u>—</u>	<u>37,032,626</u>
<b>Accumulated Depreciation</b>				
Land improvements	4,152,476	293,399	—	4,445,875
Water system	8,847,695	376,664	—	9,224,359
Sewer system	1,727,775	60,471	—	1,788,246
Sewer plant	1,099,402	38,945	—	1,138,347
Equipment	1,655,414	3,496	—	1,658,910
<b>Total Accumulated Depreciation</b>	<u>17,482,762</u>	<u>772,975</u>	<u>—</u>	<u>18,255,737</u>
<b>Business-Type Activities Capital Assets, Net</b>	<u>\$ 19,015,697</u>	<u>\$ (238,808)</u>	<u>\$ —</u>	<u>\$ 18,776,889</u>

## 5. Long-Term Debt

The City reports long-term debt related to its governmental and business-type activities.

## CITY OF CRIPPLE CREEK, COLORADO

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### Notes To Basic Financial Statements (*Continued*)

#### **Business-Type Activities - Water Revenue Refunding Bonds**

In 2019, the City issued the Series 2019A Water Revenue Refunding Bonds in the amount of \$1,050,000 at an interest rate ranging from 2.00 - 3.50%. The bonds require semi-annual payments. Annual debt service requirements to amortize water and sewer bonds outstanding as of December 31, 2024 follow:

<b>2019A Series Water Refunding Bonds</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 70,000	\$ 23,100	\$ 93,100
2026	70,000	21,525	91,525
2027	75,000	19,075	94,075
2028	75,000	16,450	91,450
2029	80,000	13,825	93,825
2030 - 2032	315,000	24,500	339,500
<b>Total</b>	<b>\$ 685,000</b>	<b>\$ 118,475</b>	<b>\$ 803,475</b>

#### **Pledged Revenue Requirements**

The City has issued revenue bonds to fund capital projects and infrastructure of its water and sewer system, which has pledged “net revenue” (all income and revenues directly or indirectly derived by the City less operation and maintenance expenses) toward the repayment of the revenue bonds noted above. Revenues are pledged until the bonds are paid off in full or refunded in full. Pledged net revenues recognized for the year ended December 31, 2024 were \$634,340. Debt service payments for the year ended December 31, 2024 were \$89,563.

#### **Governmental Activities - Vehicle Note Payable**

In 2022, the City acquired a vehicle financed by a note payable in the amount \$198,950 at an interest rate of 2.90%. The note requires annual payments, with the asset serving as collateral. Annual debt service requirements to maturity of the note payable outstanding as of December 31, 2024 are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 39,757	\$ 2,340	\$ 42,097
2026	40,911	1,186	42,097
<b>Total</b>	<b>\$ 80,668</b>	<b>\$ 3,526</b>	<b>\$ 84,194</b>

## CITY OF CRIPPLE CREEK, COLORADO

### Notes To Basic Financial Statements (Continued)

#### Changes In Long-Term Liabilities

Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2024:

<b>Governmental Activities</b>	<b>Beginning December 31, 2023</b>	<b>Additions To Principal</b>	<b>Reductions To Principal</b>	<b>Ending December 31, 2024</b>	<b>Due In One Year</b>
Vehicle note payable	\$ 119,305	\$ —	\$ 38,637	\$ 80,668	\$ 39,757
Compensated absences	248,837	54,820	—	303,657	60,731
<b>Total Governmental Activities</b>	<b>\$ 368,142</b>	<b>\$ 54,820</b>	<b>\$ 38,637</b>	<b>\$ 384,325</b>	<b>\$ 100,488</b>

  

<b>Business-Type Activities</b>	<b>Ending December 31, 2023</b>	<b>Additions To Principal</b>	<b>Reductions To Principal</b>	<b>Ending December 31, 2024</b>	<b>Due In One Year</b>
Water revenue refunding bonds 2019A	\$ 750,000	\$ —	\$ 65,000	\$ 685,000	\$ 70,000
Premium on bond	19,915	—	2,025	17,890	2,025
Compensated absences	19,964	1,666	—	21,630	7,092
<b>Total Business-Type Activities</b>	<b>\$ 789,879</b>	<b>\$ 1,666</b>	<b>\$ 67,025</b>	<b>\$ 724,520</b>	<b>\$ 79,117</b>

Principal and interest payments related to the water revenue refunding bonds will be paid by the enterprise fund. Principal and interest payments relating to the vehicle note payable will be paid by the General Fund.

## 6. Defined Contribution Pension Plan

### General Employees Retirement

City employees are covered under a 401(a) defined contribution plan maintained and administered through Colorado Retirement Association (CRA). The plan is established and amended under Colorado State Statute. Under the terms of the defined contribution plan, participants are required to contribute 8% of annual compensation with a matching amount from the City. Vesting begins immediately upon participation with 100% vesting occurring after 5 years of credited service or age 62, whichever is earlier. Defined contribution plans are not required to have actuarial valuations performed. The contributions made by the City totaled \$373,156, and the employees contributed an equal amount. In addition, employees can contribute additional funds into CRA's 457 plan.

**Police Department Employees Retirement**

The City's Police Department participates in the CRA plan and contributes to Social Security and Medicare monthly. Police Department employees are not able to participate in the State of Colorado's Fire and Police Pension Association (FPPA) because they were enrolled in Social Security and did not elect to become members of FPPA in 1982.

**7. FPPA Statewide Retirement Plan (SRP)**

***Plan Description***

Eligible employees of the District are provided with pensions through SRP, a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. The Plan consists of four components: Defined Benefit Component, Hybrid Defined Benefit Component, Social Security Component and Money Purchase Component. FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.fppaco.org>. This plan is a combination

***Benefits Provided***

The FPPA Board of Directors may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than 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 attainment of age 55 with at least 5 years of credited service.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least 5 years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest 3 years' base salary for each year of credited service up to 10 years, plus 2.5 percent of the average of the member's highest 3 years' base salary for each year of service thereafter.

## **CITY OF CRIPPLE CREEK, COLORADO**

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### Notes To Basic Financial Statements (*Continued*)

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest 3 years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest 3 years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

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

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

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

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

#### ***Contributions***

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

## **CITY OF CRIPPLE CREEK, COLORADO**

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### Notes To Basic Financial Statements (*Continued*)

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

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

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

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

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

## **CITY OF CRIPPLE CREEK, COLORADO**

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### Notes To Basic Financial Statements (*Continued*)

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

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

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

Employer contributions are recognized by SRP in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to SRP. Employer contributions recognized by SRP from the City were \$113,338 for the year ended December 31, 2024.

### **Pension Assets, Pension Benefit, Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions**

At December 31, 2024, the City reported no net pension liability 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 was determined by an actuarial valuation as of January 1, 2024. The City's proportion of the net pension liability was based on City contributions to SWDB for the calendar year 2023, relative to the total contributions of participating employers.

At December 31 2023, the City's portion was 0.0841%, which was an increase of 0.0073% from its portion measured as of December 31, 2022.

## CITY OF CRIPPLE CREEK, COLORADO

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### Notes To Basic Financial Statements (*Continued*)

For the year ended December 31, 2024, the City recognized pension expense of \$77,156. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>
<b>Deferred Outflows Of Resources</b>	
Changes of assumptions	\$ 92,848
Net difference between projected and actual earnings on pension plan investments	114,916
Changes in proportion and differences between contributions and proportionate share of contributions	81,539
Differences between actual and expected experience	160,072
Contributions subsequent to measurement date	113,338
<hr/>	
<b>Total Deferred Outflows Of Resources</b>	<b>\$ 562,713</b>
<hr/>	
<b>Deferred Inflows Of Resources</b>	
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 22,001
Differences between expected and actual experience	7,692
<hr/>	
<b>Total Deferred Inflows Of Resources</b>	<b>\$ 29,693</b>
<hr/>	

The amount of \$113,338 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as an increase of the net pension asset in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>For The Year Ended December 31,</b>	<b>Amount</b>
<hr/>	
2025	\$ 75,281
2026	105,009
2027	142,524
2028	27,362
2029	28,454
Thereafter	41,052
<hr/>	
<b>Total</b>	<b>\$ 419,682</b>
<hr/>	

## CITY OF CRIPPLE CREEK, COLORADO

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### Notes To Basic Financial Statements (*Continued*)

#### Actuarial Assumptions

The January 1, 2024 actuarial valuation for SWDB was used to determine the total pension liability at December 31, 2023 and actuarially determined contributions for the fiscal year ended December 31, 2024. The valuations used the following actuarial assumption and other inputs:

	<u>Actuarial Assumptions</u>	<u>Actuarially Determined Contributions</u>
Valuation date	January 01, 2024	January 01, 2023
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	N/A	Level % Payroll, Open
Remaining amortization period	N/A	30 Years
Actuarial assumptions:		
Investment rate of return*	7.0%	7.0%
Projected salary increases*	4.25% - 11.25%	4.25% - 11.25%
Cost of living adjustments	0.0%	0.0%
* Includes inflation at:	2.5%	2.5%

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

For determining the actuarially determined contributions, the post-retirement mortality tables for nondisabled retirees uses the 2006 central rates 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.

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

## CITY OF CRIPPLE CREEK, COLORADO

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### Notes To Basic Financial Statements (*Continued*)

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate Of Return</b>
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%
<b>Total</b>	<b>100%</b>	

### Discount Rate

The discount rate used to measure the total pension liability was 7.0%. 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's Board of Directors' funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB 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.

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).

## CITY OF CRIPPLE CREEK, COLORADO

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### Notes To Basic Financial Statements (*Continued*)

For the purpose of the valuation, the expected rate of return on pension plan investments is 7.0%, the municipal bond rate is 3.77% (based on the weekly rate closest to but not later than the measurement date of the state and local bonds rate from Federal Reserve statistical release (H.15)) and the resulting single discount rate is 7.0%, based upon the plan's fiduciary net position projected to be sufficient to pay benefits.

#### **Sensitivity Of The City's Proportionate Share Of The Net Pension Liability (Asset) To Changes In The Discount Rate**

Regarding the sensitivity of the net pension liability (asset) to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan's net pension asset would be if it were calculated using a single discount rate that is one percent lower (6.00%) or one percent higher (8.00%):

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$ 471,310	\$ —	\$ —

The net pension liability of \$0 reflects a reserve for cost-of-living adjustments and to manage adverse experience of \$19,633,099 at a 7% discount rate and \$500,364,385 at an 8% discount rate.

#### ***Pension Plan Fiduciary Net Position***

Detailed information about the SRP's fiduciary net position is available in FPPA's annual comprehensive financial report, which can be obtained on FPPA's website at <http://www.fppaco.org>.

## **8. Other Post-Employment Benefit Plan (OPEB)**

### **FPPA Statewide Death And Disability Plan**

***Plan Description*** - The City's full-time firefighters participate in FPPA's Statewide Death And Disability Plan (the Plan), a cost-sharing, multi-employer defined benefit death and disability plan.

Contributions to the Plan are used solely for the payment of death and disability benefits. The Plan was established in 1980 pursuant to Colorado Revised Statutes and can be amended through such statutes.

## **CITY OF CRIPPLE CREEK, COLORADO**

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### Notes To Basic Financial Statements (*Continued*)

**Contributions** - Prior to 1997, the Plan was primarily funded by the State of Colorado, whose contributions were established by Colorado Statute. The state made a one-time contribution in 1997 of \$39,000,000 to fund the past and future service costs for all firefighters and police officers hired prior to January 1, 1997. No further state contributions are anticipated. Members hired on or after January 1, 1997 contribute a percentage of the payroll based on actuarial experience. This represented 3.2% for 2024. The City contributed \$33,931 to the Plan during 2024.

**Benefits** - If a member dies prior to retirement, the surviving spouse is entitled to a benefit equal to 40% of the member's monthly base salary. Dependent children are also entitled to benefits according to an established scale. Benefit entitlement continues until death or remarriage of the spouse and death, marriage or other termination of dependency of children.

A member who becomes disabled prior to retirement shall be eligible for disability benefits. The benefit is 70% of base salary for cases of total disability and 50% for cases of occupational disability, reduced by the amount of certain other benefits received.

Benefits paid to members are evaluated and may be redetermined on October 1 of each year. Any increase in the level of benefits cannot exceed the lesser of the increase in the Consumer Price Index or 3%.

**OPEB Liabilities, OPEB Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To OPEBs** - The City has no requirement to contribute to the plan and does not receive contributions from a nonemployer entity. Therefore, the City does not report a net OPEB liability, or deferred outflows of resources and deferred inflows of resources related to OPEB.

**OPEB Plan Fiduciary Net Position** - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at [www.fppaco.org](http://www.fppaco.org).

## CITY OF CRIPPLE CREEK, COLORADO

### Notes To Basic Financial Statements (Continued)

#### 9. Net Position And Fund Balance

The net investment in capital assets on the government-wide statement of net position as of December 31, 2024 was computed as follows:

	<b>Governmental Activities</b>	<b>Business- Type Activities</b>
Net investment in capital assets:		
Cost of capital assets	\$ 55,248,458	\$ 37,032,626
Less: Accumulated depreciation	39,840,239	18,255,737
Book value	15,408,219	18,776,889
Less: Capital-related debt amounts	80,668	695,800
<b>Net Investment In Capital Assets</b>	<b>\$ 15,327,551</b>	<b>\$ 18,081,089</b>

The table below delineates the City's December 31, 2024 ending fund balances for the governmental funds:

<b>Fund Balances</b>	<b>General Fund</b>	<b>Historic Preservation Fund</b>	<b>Total</b>
Restricted:			
Emergencies	\$ 302,836	\$ —	\$ 302,836
Historic preservation	—	3,441,824	3,441,824
Unassigned	10,878,900	—	10,878,900
<b>Total Fund Balance</b>	<b>\$ 11,181,736</b>	<b>\$ 3,441,824</b>	<b>\$ 14,623,560</b>

#### 10. Risk Management

The City is exposed to various risks of loss related to employees while on the job, property and casualty losses. The City has purchased commercial insurance with various levels of deductibles to cover these losses. Claims have not exceeded coverage in any of the past three years.

#### 11. Contingent Liabilities And Uncertainties

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

As of December 31, 2024, there were a number of pending claims and lawsuits involving the City. The outcome of these matters is currently unknown; however, the City's legal counsel has reviewed all such litigation and claims and is of the opinion that any outstanding claims not covered by insurance would not materially affect the City's financial position.

## **12. Tax, Spending And Debt Limitations**

Colorado voters passed an Amendment to the State Constitution, Article X, Section 20 (the Taxpayer Bill of Rights, otherwise known as TABOR), which has several limitations, including revenue raising, spending abilities and other specific requirements of the state and local governments. The City, through the election process, has exempted certain revenues, not including property tax revenue, from TABOR. TABOR is complex and subject to judicial interpretation. The City recorded \$302,836 for emergency reserves in the General Fund, which it believes maintains compliance with TABOR.

## **13. Economic Dependency**

The City derives a large percentage of its revenues from gaming tax and device fees. The financial position of the City would be significantly different without those revenues.

## **14. Correction Of Errors**

The City, during the year ended December 31, 2023, had recorded water and sewer tap fees related to a major construction project as part of building and plan fees within the General Fund, where these revenues should have been recorded within the Water and Sewer Fund. The result is that the beginning fund balance of the general fund and the beginning net position of the governmental activities was overstated by \$286,918, and beginning fund balance for the Water and Sewer Fund was understated by the same amount.

Additionally, the City, as of December 31, 2023, had overstated accumulated depreciation on its equipment in its Water and Sewer Fund by \$4,749,824. Beginning net position for the fund was understated by the same amount.

## CITY OF CRIPPLE CREEK, COLORADO

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### Notes To Basic Financial Statements *(Continued)*

The following table shows the adjustments made to the reporting units affected by this error in the current financial statements:

	<b>Governmental Activities</b>	<b>General Fund</b>	<b>Water &amp; Sewer Fund</b>
<b>Fund Balance/Net Position, As Previously Stated</b>	\$ 28,709,964	\$ 9,706,912	\$ 14,646,060
Restatement - revenue classification	(286,918)	(286,918)	286,918
Restatement - depreciation adjustment	—	—	4,749,824
<b>Fund Balance/Net Position, As Restated</b>	<b>\$ 28,423,046</b>	<b>\$ 9,419,994</b>	<b>\$ 19,682,802</b>

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**Required Supplementary Information**  
**(Unaudited)**

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**CITY OF CRIPPLE CREEK, COLORADO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
For The Year Ended December 31, 2024**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues</b>			
Property tax	\$ 207,915	\$ 219,682	\$ 11,767
Sales tax	750,000	1,505,796	755,796
Lodging taxes	561,000	408,246	(152,754)
Gaming taxes	2,199,518	2,250,677	51,159
Other taxes	25,000	27,614	2,614
Device fees	4,609,431	4,605,346	(4,085)
Intergovernmental	1,806,955	1,413,142	(393,813)
Licenses and permits	172,950	172,540	(410)
Charges for service	262,850	300,496	37,646
Fines and forfeitures	9,625	7,068	(2,557)
Investment earnings	370,000	525,417	155,417
Rental income	15,500	179,862	164,362
Ticket and retail sales	450	1,058	608
Miscellaneous	148,250	275,235	126,985
<b>Total Revenues</b>	<b>11,139,444</b>	<b>11,892,179</b>	<b>752,735</b>
<b>Expenditures</b>			
General government	4,665,239	4,166,173	499,066
Public safety	4,207,232	3,800,035	407,197
Streets	959,239	1,033,922	(74,683)
Culture and recreation	602,789	753,319	(150,530)
Capital outlay	1,021,046	334,891	686,155
Debt service:			
Principal retirements	42,097	38,637	3,460
Interest and fiscal charges	—	3,460	(3,460)
<b>Total Expenditures</b>	<b>11,497,642</b>	<b>10,130,437</b>	<b>1,367,205</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	9,500	—	(9,500)
<b>Net Changes In Fund Balance</b>	<b>\$ (348,698)</b>	<b>1,761,742</b>	<b>\$ 2,110,440</b>
<b>Fund Balance, Beginning Of Year, As Previously Stated</b>		9,706,912	
Restatement		(286,918)	
<b>Fund Balance, Beginning Of Year, As Restated</b>		<b>9,419,994</b>	
<b>Fund Balance, End Of Year</b>		<b>\$ 11,181,736</b>	

## CITY OF CRIPPLE CREEK, COLORADO

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - HISTORIC PRESERVATION FUND For The Year Ended December 31, 2024

	Original And Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Gaming taxes	\$ 965,180	\$ 1,000,864	\$ 35,684
Investment earnings	128,000	153,061	25,061
Rental income	2,500	235,497	232,997
Operating grants, contributions and interest	23,050	62,987	39,937
Ticket and retail sales	316,275	285,520	(30,755)
Miscellaneous	23,600	69,531	45,931
<b>Total Revenues</b>	1,458,605	1,807,460	348,855
<b>Expenditures</b>			
General government	740,284	714,923	25,361
Culture and recreation	862,113	804,400	57,713
Capital outlay	17,000	127	16,873
Personnel expenses	5,708	—	5,708
<b>Total Expenditures</b>	1,625,105	1,519,450	105,655
<b>Net Changes In Fund Balance</b>	<u>\$ (166,500)</u>	288,010	<u>\$ 454,510</u>
<b>Fund Balance, Beginning Of Year</b>		<u>3,153,814</u>	
<b>Fund Balance, End Of Year</b>		<u>\$ 3,441,824</u>	

**CITY OF CRIPPLE CREEK, COLORADO**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION (ASSET) LIABILITY  
For The Measurement Year Ended December 31,  
SRP Pension Plan**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
City's portion of the net pension (asset) liability	0.0841%	0.0935%	0.0868%	0.0939%	0.0999%	0.1124%	0.1246%	0.1336%	0.1504%
City's proportionate share of the net pension (asset) liability	\$ —	\$ 83,034	\$ (470,307)	\$ (204,023)	\$ (56,537)	\$ 142,084	\$ (179,273)	\$ 48,279	\$ (2,651)
City's covered payroll	\$ 944,486	\$ 813,874	\$ 742,288	\$ 724,138	\$ 764,813	\$ 677,421	\$ 731,112	\$ 709,191	\$ 729,600
City's proportionate share of the net pension (asset) liability as a percentage of its payroll	0.00%	10.20%	-63.36%	-28.17%	-7.39%	20.97%	-24.52%	6.81%	-0.36%
Plan fiduciary net position as a percentage of the total pension (asset) liability	100.00%	97.60%	116.20%	106.70%	101.90%	95.20%	106.30%	98.21%	100.10%

**CITY OF CRIPPLE CREEK, COLORADO**  
**SCHEDULE OF THE CITY'S CONTRIBUTIONS**  
**TO THE PENSION PLAN**  
**For The Fiscal Year Ended December 31,**  
**SRP Pension Plan**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually required contribution	\$ 113,338	\$ 81,598	\$ 73,249	\$ 59,383	\$ 57,931	\$ 61,185	\$ 54,194	\$ 58,489	\$ 56,735
Contributions in relation to the contractually required contribution	113,338	81,598	73,249	59,383	57,931	61,185	58,016	58,489	56,735
<b>Contribution Deficiency (Excess)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (3,822)</b>	<b>\$ —</b>	<b>\$ —</b>
City's covered payroll	\$ 944,486	\$ 860,563	\$ 813,874	\$ 742,288	\$ 724,138	\$ 764,813	\$ 677,421	\$ 731,112	\$ 709,191
Contributions as a percentage of covered-employee payroll	12.00%	9.48%	9.00%	8.00%	8.00%	8.00%	8.56%	8.00%	8.00%

# CITY OF CRIPPLE CREEK, COLORADO

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## NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2024

### 1. **Budgetary Information**

Budgets for major governmental funds are adopted on the modified accrual basis where capital outlays are treated as expenditures and depreciation is not budgeted. Proceeds from debt financing and the sale of general fixed assets are accounted for as other financing sources. In addition, debt service principal payments are included as expenditures in the budget. The operating budget includes proposed expenditures and the means of financing them. The City Council must approve transfers between funds or increases to a fund's budget.

Colorado's budget law requires that expenditures and transfers for a department or fund cannot exceed the appropriations for that department or fund. Appropriations for a department or fund may be increased, provided unanticipated resources offset them.

The budget is controlled at the category line item level within each division within each fund. However, the legal level of appropriation is at the fund level. If the division expenditures exceed the division budget by more than \$500, then the expenditures are deemed to be in excess of the appropriations.

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**Supplementary Information**

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## CITY OF CRIPPLE CREEK, COLORADO

### SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - WATER AND SEWER FUND

For The Year Ended December 31, 2024

	2024		
	Original And Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Charges for service	\$ 1,536,941	\$ 1,572,725	\$ 35,784
Tap fees	144,500	16,611	(127,889)
Intergovernmental	1,050,000	375,035	(674,965)
Other income	44,000	66,869	22,869
Investment earnings	43,000	41,003	(1,997)
<b>Total Revenues</b>	2,818,441	2,072,243	(746,198)
<b>Expenditures</b>			
Professional services	148,017	117,628	30,389
Supplies	42,665	45,049	(2,384)
Personnel services	705,948	619,484	86,464
Maintenance and repairs	328,758	268,489	60,269
Utilities and telephone	221,420	189,774	31,646
Other/miscellaneous	137,816	66,243	71,573
Capital outlay	1,087,763	534,167	553,596
Debt service	189,563	88,108	101,455
Transfers out	10,500	—	10,500
<b>Total Expenditures</b>	2,872,450	1,928,942	943,508
<b>Change In Net Position</b>	\$ (54,009)	143,301	\$ 197,310
<b>Reconciliation To GAAP Basis</b>			
Add:			
Capital outlay		534,167	
Principal retirement		65,000	
Subtract:			
Depreciation		(772,975)	
<b>Change In Net Position</b>		(30,507)	
<b>Net Position, Beginning Of Year, As Previously Stated</b>		14,646,060	
Restatement		5,036,742	
<b>Net Position, Beginning Of Year, As Restated</b>		19,682,802	
<b>Net Position, End Of Year</b>		\$ 19,652,295	

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**Special Reports Section**

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# CITY OF CRIPPLE CREEK, COLORADO

## LOCAL HIGHWAY FINANCE REPORT

Form Approved  
OMB No. 2125-0032

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

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/24
This Information From The Records Of: City of Cripple Creek	Prepared By: Monet Edwards, Finance Director

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

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

### II. RECEIPTS FOR ROAD AND STREET PURPOSES

### III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway expenditures:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 514,367.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	\$ 73,589.00
3. Other local imposts (from page 2)	\$ 48,798.00	c. Other	\$ 51,277.00
4. Miscellaneous local receipts (from page 2)	\$ 1,286,068.00	d. Total (a. through c.)	\$ 124,866.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 437,936.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 356,367.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 1,433,536.00
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	\$ -
7. Total (1 through 6)	\$ 1,334,866.00	b. Redemption	\$ -
<b>B. Private Contributions</b>		c. Total (a. + b.)	\$ -
<b>C. Receipts from State government</b> (from page 2)	\$ 96,675.00	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	\$ -	a. Interest	\$ -
<b>E. Total receipts (A.7 + B + C + D)</b>	\$ 1,431,541.00	b. Redemption	\$ -
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		<b>C. Payments to State for highways</b>	\$ -
		<b>D. Payments to toll facilities</b>	\$ -
		<b>E. Total expenditures (A.6 + B.3 + C + D)</b>	\$ 1,433,536.00

### IV. LOCAL HIGHWAY DEBT STATUS

*(Show all entries at par)*

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ 19,193.00	\$ 1,431,541.00	\$ 1,433,536.00		\$ 17,198.00

Notes and Comments:

# CITY OF CRIPPLE CREEK, COLORADO

## LOCAL HIGHWAY FINANCE REPORT

<b>LOCAL HIGHWAY FINANCE REPORT</b>	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/24

### II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	\$ -
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 6,068.00
1. Sales Taxes		c. Parking Garage Fees	\$ -
2. Infrastructure & Impact Fees	\$ 29,632.00	d. Parking Meter Fees	\$ -
3. Liens		e. Sale of Surplus Property	\$ -
4. Licenses		f. Charges for Services	\$ -
5. Specific Ownership &/or Other	\$ 19,166.00	g. Other Misc. Receipts	\$ -
6. Total (1. through 5.)	\$ 48,798.00	h. Other	\$ 1,280,000.00
c. Total (a. + b.)	\$ 48,798.00	i. Total (a. through h.)	\$ 1,286,068.00
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes (from Item I.C.5.)	\$ 88,227.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	\$ -
a. State bond proceeds		b. FEMA	\$ -
b. Project Match		c. HUD	\$ -
c. Motor Vehicle Registrations	\$ 8,448.00	d. Federal Transit Administration	\$ -
d. DOLA Grant		e. U.S. Corps of Engineers	\$ -
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ 8,448.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 96,675.00	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

### III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments:

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**CITY OF CRIPPLE CREEK, COLORADO**  
*FEDERAL AWARDS REPORTS  
IN ACCORDANCE WITH THE  
SINGLE AUDIT ACT AND  
UNIFORM GUIDANCE  
DECEMBER 31, 2024*

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**Independent Auditors' Report  
On Internal Control Over Financial  
Reporting And On Compliance And Other  
Matters Based On An Audit Of Financial  
Statements Performed In Accordance With  
*Government Auditing Standards***

Honorable Mayor and  
Members of the City Council  
Cripple Creek, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities and each major fund of the City of Cripple Creek, Colorado (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 9, 2025.

**Report On Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies that we considered to be material weaknesses. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

### ***Report On Compliance And Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The City's Response To Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose Of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RubinBrown LLP*

October 9, 2025

**Independent Auditors' Report  
On Compliance For Each Major Federal  
Program, Report On Internal Control Over  
Compliance And Report On The Schedule  
Of Expenditures Of Federal Awards Required  
By The Uniform Guidance**

Honorable Mayor and  
Members of the City Council  
Cripple Creek, Colorado

**Report On Compliance For Each Major Federal Program**

***Opinion On Each Major Federal Program***

We have audited the City of Cripple Creek, Colorado's (the City) compliance with the types of compliance requirements described in the Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal programs for the year ended December 31, 2024.

***Basis For Opinion On Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Governmental Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities For The Audit Of Compliance section of our report.

We are required to be independent of the City and to meet our ethical responsibilities in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

### ***Responsibilities Of Management For Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditor's Responsibilities For The Audit Of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-002. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City’s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report On Schedule Of Expenditures Of Federal Awards Required By The  
Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the City, of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon, dated October 9, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*RubinBrown LLP*

October 9, 2025

**CITY OF CRIPPLE CREEK, COLORADO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended December 31, 2024**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal AL Number</b>	<b>Pass-Through Entity Identifying Number/ Contract Number</b>	<b>Federal Expenditures</b>	<b>Expenditures To Subrecipients</b>
<b>US Department of the Interior</b>				
Passed through Colorado Department of Local Affairs				
Minerals Leasing Act	15.437		\$ 195,888	—
<b>Total U.S. Department Of The Interior</b>			<b>195,888</b>	<b>—</b>
<b>U.S. Department Of Transportation</b>				
Passed through Colorado Department of Transportation				
Highway Planning and Construction	20.205		87,605	—
<i>Federal Transit Cluster</i>				
Federal Transit Formula Grants	20.507		288,409	—
<b>Total U.S. Department Of Transportation</b>			<b>376,014</b>	<b>—</b>
<b>Department Of Treasury</b>				
Passed through the Colorado Department of Local Affairs				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		340,020	316,217
<b>Total U.S. Department Of Treasury</b>			<b>340,020</b>	<b>316,217</b>
<b>Total Expenditures Of Federal Awards</b>			<b>\$ 911,922</b>	<b>\$ 316,217</b>

# CITY OF CRIPPLE CREEK, COLORADO

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## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For The Year Ended December 31, 2024

### 1. Basis Of Presentation And Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Cripple Creek, Colorado (the City) for the year ended December 31, 2024 and is presented on the modified accrual basis of accounting, which is described in Note 1 to the financial statements of the City. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included on the schedule. The information in this schedule is presented in accordance with requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles and Audit Requirements for Federal Awards* (the Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

### 2. Indirect Costs

The City has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

**CITY OF CRIPPLE CREEK, COLORADO**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended December 31, 2024**

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**Section I - Summary Of Auditors' Results**

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**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	___ yes	___ <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	___ <input checked="" type="checkbox"/> yes	___ none reported
Noncompliance material to financial statements noted?	___ yes	___ <input checked="" type="checkbox"/> no

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?	___ yes	___ <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	___ <input checked="" type="checkbox"/> yes	___ none reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_  yes      \_\_\_ no

Identification of major federal programs:

<b>AL No.</b>	<b>Name Of Federal Program Or Cluster</b>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Fund
15.437	Minerals Leasing Act

Dollar threshold used to distinguish between Type A and Type B programs:      \$750,000

Auditee qualified as low-risk auditee?      \_\_\_ yes      \_\_\_  no

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**CITY OF CRIPPLE CREEK, COLORADO**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)***  
**For The Year Ended December 31, 2024**

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**Section II - Financial Statement Findings**

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**Finding 2024-001**

**Significant Deficiency, Internal Control Over Financial Reporting**

***Criteria Or Specific Requirement:*** Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

***Condition:*** During the audit, we noted two items that led to restatements within the financial statements, related to the allocation of revenue between appropriate funds and the over accrual of depreciation on a certain class of assets.

***Cause:*** The year-end reconciliation and review process was not on a timely basis, as to correct these calculations and allocations on a timely basis.

***Effect:*** The City's finance department was unable to correct the issues identified within the appropriate period, requiring restatement of the financial statements.

***Identification As A Repeat Finding:*** N/A

***Recommendation:*** The City should evaluate their review of year-end reconciliation and close process in order to improve the timeliness of identification of potential errors in the accounts and correct such items before the end of the year close process is complete.

***Views Of Responsible Officials And Planned Corrective Action:*** The City agrees with the finding and has put together a correction action plan for the finding. See corrective action plan included in this report.

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## CITY OF CRIPPLE CREEK, COLORADO

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* For The Year Ended December 31, 2024

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#### Section III - Federal Award Findings And Questioned Costs

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#### **Finding 2024-002 Significant Deficiency, Inaccurate Schedule Of Expenditures Of Federal Awards**

**Criteria:** Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) provides guidance related to preparation and reporting of the Schedule of Expenditures of Federal Awards (the SEFA). 2 CFR Section 200.100 identifies the required elements of the SEFA, and 2 CFR Section 200.510 specifically requires that the SEFA include information on each federal award expended during the year. The City is required to prepare a complete and accurate SEFA and to have a system of internal controls, the design and operation of which allows management or employees in the normal course of performing their assigned functions to prevent, or detect and correct, errors on a timely basis.

**Condition:** The schedule was inaccurate, which led to two errors in the reporting of federal awards. The City did not include federal programs in the amount of \$87,605, and the schedule also improperly identified one program with the incorrect assistance listing number, the result of which excluded expenditures from a major program.

**Cause:** The personnel responsible for the preparer and reviewer functions for the grant tracking and reporting process for the year are new to the role and therefore did not have a full understanding of all grant programs and related reporting. This resulted in the errors noted above.

**Effect:** As a result of the errors, the SEFA that was originally presented was incorrect. Inaccurate identification of federal awards may also result in inaccurate identification of compliance requirements, risk assessments, major program determination, materiality determinations and reporting errors.

**Questioned Costs:** None

**Context:** N/A

**Identification As A Repeat Finding:** N/A

**Recommendation:** The City should strengthen its internal controls by implementing additional review processes of its grant programs to ensure the SEFA accurately reflects federal expenditures for the fiscal year.

**Views Of Responsible Officials And Planned Corrective Action:** The City agrees with the finding and has created a corrective action plan for the finding. See the corrective action plan included in this report.



**CORRECTIVE ACTION PLAN  
For The Year Ended December 31, 2024**

**Finding 2024-001 Significant Deficiency, Internal Control Over Financial Reporting**

**Corrective Action Plan:** The City will establish a review process to evaluate all projects during the year-end close to reconcile and adjust for appropriate amounts.

**Personnel Responsible for Corrective Action:** Monet Edwards, Finance Director

**Anticipated Completion Date:** October 15, 2025

**Finding 2024-002 Significant Deficiency, Inaccurate Schedule Of Expenditures Of Federal Awards**

**Personnel Responsible for Corrective Action:** Monet Edwards, Finance Director

**Anticipated Completion Date:** October 15, 2025

**Corrective Action Plan:** The City will strengthen internal controls by requiring that all new grants have a pre-audit meeting for between the Department Head administering the grant and the Finance Director to review all relevant grant paperwork and the SEFA spreadsheet.

P.O. Box 430 Cripple Creek, CO 80813 (719) 689-2502