

**City of Gunnison
Gunnison, Colorado**

**Financial Statements
December 31, 2024**



**City of Gunnison, Colorado
Financial Report
December 31, 2024**

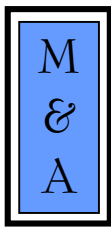
Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	A1 – A3
Management's Discussion and Analysis	B1 – B9
Government-wide Financial Statements:	
Statement of Net Position	C1
Statement of Activities	C2
Fund Financial Statements:	
Balance Sheet – Governmental Funds	C3
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	C4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	C5
Reconciliation of Revenues, Expenditures and Changes in Fund Balances (Deficit) of Governmental Fund to the Statement of Activities	C6
Statement of Net Position – Proprietary Funds	C7
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	C8
Statement of Cash Flows – Proprietary Funds	C9
Statement of Fiduciary Net Position	C10
Statement of Changes in Fiduciary Net Position	C11
Notes to the Financial Statements	D1 – D27
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund	E1 – E2
Street Improvement Fund	E3
Ditch Fund	E4
Recreation Fund	E5
Schedule of Changes in Net Pension Liability and Related Ratios	E6
Schedule of Contributions	E7
Schedule of Investment Returns	E8

**City of Gunnison, Colorado
Financial Report
December 31, 2024**

Table of Contents (continued)

	Page
Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	F1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	F2
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Conservation Trust Fund	F3
Risk Management Fund	F4
Marijuana Mitigation Fund	F5
Combining Statement of Net Position - Departments of the Enterprise Fund	F6
Combining Statement of Revenues, Expenses and Changes in Net Position - Departments of the Enterprise Fund	F7
Schedule of Revenues and Expenditures – Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – Proprietary Funds:	
Electric Department	F8
Water Department	F9
Sewer Department	F10
Refuse Department	F11
Schedule of Revenues and Expenditures – Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis – Internal Service Fund:	
Fleet Management Fund	F12
Facilities Maintenance Fund	F13
Statement of Changes in Fiduciary Net Position – Budget and Actual:	
Volunteer Firefighters' Pension Fund	F14
Local Highway Finance Report	G1 - G2
Statutory Information:	
Report on Internal Control over Financial Reporting and on Other Compliance Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards	H1 - H2
Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance Required by Uniform Guidance	H3 - H5
Schedule of Findings and Questioned Costs	H6
Schedule of Prior Audit Findings and Questioned Costs	H7
Schedule of Expenditures of Federal Awards	H8



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

WEB SITE: WWW.MCMAHANCPA.COM

MAIN OFFICE: (970) 845-8800

INDEPENDENT AUDITOR'S REPORT

**To the Mayor and City Council
City of Gunnison**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Gunnison (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 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the 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 ("U.S. GAAP").

Basis for Opinions

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

As discussed in Note V.D. to the financial statements, the City adopted Governmental Accounting Standards Board Statement No. 101, Compensated Absences, in 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Member: American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
To the Mayor and City Council
City of Gunnison

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

U.S. GAAP require the Management's Discussion and Analysis in section B, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Contributions and the Schedule of Investment Returns in Section E be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT
To the Mayor and City Council
City of Gunnison


Required Supplementary Information (continued)

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund financial statements, individual fund budgetary information, the Local Highway Finance Report, and the Schedule of Expenditures of Federal Awards as required by *Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* included in the Single Audit Section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements, individual fund budgetary information, the Annual Schedule of Revenues and Expenditures for Roads, Bridges and Streets, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


McMahan and Associates, L.L.C.
Avon, Colorado
July 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Gunnison, Colorado

Management's Discussion and Analysis December 31, 2024

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

Background Information

The City was incorporated in 1880. The predominant fund approach for the City is comprised of nine basic funds: the General Fund, five Special Revenue Funds, one Enterprise Fund, one Internal Service Fund and a Fiduciary Fund.

Financial Highlights

- The City had an increase in net position of \$9,825,151. The City's governmental activities increased net position by \$5,142,405 and business-type activities increased it by \$4,682,746.
- The City's governmental funds combined fund balances decreased by \$77,887 primarily due to planned use of fund balance in the General Fund to complete the Energy Performance Contract energy upgrades, and conversion of remaining ditch fund reserves to the Water Enterprise Fund, almost wholly offset by savings from the 2023 sales tax redistribution in the Street Improvements Fund for planned project use (12th Street overlay in 2025).

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, public safety, streets, and parks and recreation. The business-type activities of the City include electric, water, sewer, refuse, and recreation services.

Overview of the Financial Statements (continued)

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

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

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City adopts an annual appropriated budget for all funds to demonstrate compliance with the State budget statutes.

Proprietary funds: The City reports two categories of proprietary funds - Internal Service and Enterprise. The Fleet Service Fund, an internal service fund, provides vehicle and equipment replacement and maintenance services to the City's governmental and enterprise activities. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, sewer and refuse operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the City, each of which is considered to be a major fund of the City.

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

Fiduciary Funds: Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds. The Fiduciary Fund used by the City is the Volunteer Firefighters' Pension Fund. The basic Fiduciary Fund financial statements can be found in Section C of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found in section D of this report.

Overview of the Financial Statements (continued)

Government-wide Financial Analysis: The largest portion of the City's assets is reflected in the investment in capital assets (i.e. land, buildings, improvements, and equipment). Capital assets account for 69% of the total assets. The City uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position, the City's restricted net position has changed as follows:

	<u>1/1/24</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/24</u>
<i>General Fund:</i>				
Emergency reserves	\$ 298,000	\$ 270,000	\$ -	568,000
<i>Street Improvement Fund:</i>				
Road and bridge	4,407,215	2,177,060	-	6,584,275
<i>Conservation Trust:</i>				
Recreation	100,761	24,316	-	125,077
<i>Marijuana Mitigation:</i>				
Other	212,226	-	39,277	172,949
	<u>\$ 5,018,202</u>	<u>\$ 2,471,376</u>	<u>\$ 39,277</u>	<u>7,450,301</u>

The following graphs show the City's net position for 2023 and 2024:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Assets:						
Current and other assets	\$ 23,733,532	24,298,273	\$ 18,265,589	\$ 14,264,559	\$ 41,999,121	\$ 38,562,832
Capital assets	35,153,698	31,072,962	24,765,285	22,245,660	59,918,983	53,318,622
Total Assets	<u>58,887,230</u>	<u>55,371,235</u>	<u>43,030,874</u>	<u>36,510,219</u>	<u>101,918,104</u>	<u>91,881,454</u>
Liabilities:						
Other liabilities	1,335,892	1,445,318	2,063,920	2,014,513	3,399,812	3,459,831
Long-term liabilities	6,257,947	6,345,908	12,656,706	10,807,533	18,914,653	17,153,441
Total Liabilities	<u>7,593,839</u>	<u>7,791,226</u>	<u>14,720,626</u>	<u>12,822,046</u>	<u>22,314,465</u>	<u>20,613,272</u>
Deferred Inflows of Resources:						
Unavailable property tax revenue	496,020	489,959	-	-	496,020	489,959
Unavailable revenue - Other	208,481	1,428,172	-	-	208,481	1,428,172
Total Deferred Inflows of Resources	<u>704,501</u>	<u>1,918,131</u>	<u>-</u>	<u>-</u>	<u>704,501</u>	<u>1,918,131</u>
Net Position:						
Net investment in capital assets	32,682,100	28,067,947	14,899,244	11,665,936	47,581,344	39,733,883
Restricted	7,450,301	5,229,202	-	-	7,450,301	5,229,202
Unrestricted	10,456,489	12,364,729	13,411,004	12,022,237	23,867,493	24,386,966
Total Net Position	<u>\$ 50,588,890</u>	<u>\$ 45,661,878</u>	<u>\$ 28,310,248</u>	<u>\$ 23,688,173</u>	<u>\$ 78,899,138</u>	<u>\$ 69,350,051</u>

Overview of the Financial Statements (continued)

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

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 3,083,278	\$ 2,687,816	\$ 14,968,648	\$ 14,861,822	\$ 18,051,926	\$ 17,549,638
Operating grants & contributions	3,802,762	1,260,285	58,611	4,634	3,861,373	1,264,919
Capital grants & contributions	228,612	196,033	1,909,467	1,502,410	2,138,079	1,698,443
General revenues:						
Property taxes	514,185	426,555	-	-	514,185	426,555
Sales and use taxes	11,998,278	12,059,536	-	-	11,998,278	12,059,536
Other taxes	1,203,333	2,445,215	-	-	1,203,333	2,445,215
Investment earnings and other revenue	732,546	960,643	406,604	377,334	1,139,150	1,337,977
Total Revenues	21,562,994	20,036,083	17,343,330	16,746,200	38,906,324	36,782,283
Expenses:						
General government	3,006,261	2,668,003	-	-	3,006,261	2,668,003
Public safety	4,055,489	3,650,525	-	-	4,055,489	3,650,525
Streets	3,872,246	3,144,509	-	-	3,872,246	3,144,509
Parks & recreation	4,616,526	4,473,160	-	-	4,616,526	4,473,160
Economic development	531,202	502,848	-	-	531,202	502,848
Interest	151,520	72,545	-	-	151,520	72,545
Electric	-	-	7,298,953	6,589,855	7,298,953	6,589,855
Water	-	-	1,391,537	1,423,659	1,391,537	1,423,659
Sewer	-	-	3,123,796	3,270,979	3,123,796	3,270,979
Refuse	-	-	1,033,643	912,339	1,033,643	912,339
Total Expenses	16,233,244	14,511,590	12,847,929	12,196,832	29,081,173	26,708,422
Change in Net Position before transfers	5,329,750	5,524,493	4,495,401	4,549,368	9,825,151	10,073,861
Transfers	(187,345)	-	187,345	-	-	-
Change in Net Position	5,142,405	5,524,493	4,682,746	4,549,368	9,825,151	10,073,861
Net Position - Beginning (as restated)	45,446,485	40,137,385	23,627,502	19,138,805	69,073,987	59,276,190
Net Position - Ending	\$ 50,588,890	\$ 45,661,878	\$ 28,310,248	\$ 23,688,173	\$ 78,899,138	\$ 69,350,051

Governmental activities: Governmental activities increased the City's net position by \$5,142,405. Key elements of this increase are as follows:

- Sales and use tax increased due to increased economic activity.
- There was an increase in severance tax.

Overview of the Financial Statements (continued)

Business-type activities: Business-type activities increased the City's net position by \$4,682,746. Key elements of this change are as follows:

- Positive net income to plan for future capital expenditures

Financial Analysis of the City's Funds

As mentioned on page B1 of this analysis, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Available Resources: Available resources is defined as current assets minus current liabilities. Such information is useful in assessing the City's financing requirements by focusing on near term inflows, outflows, and balances of spendable resources. In particular, unreserved available resources (or fund balance in governmental funds) may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

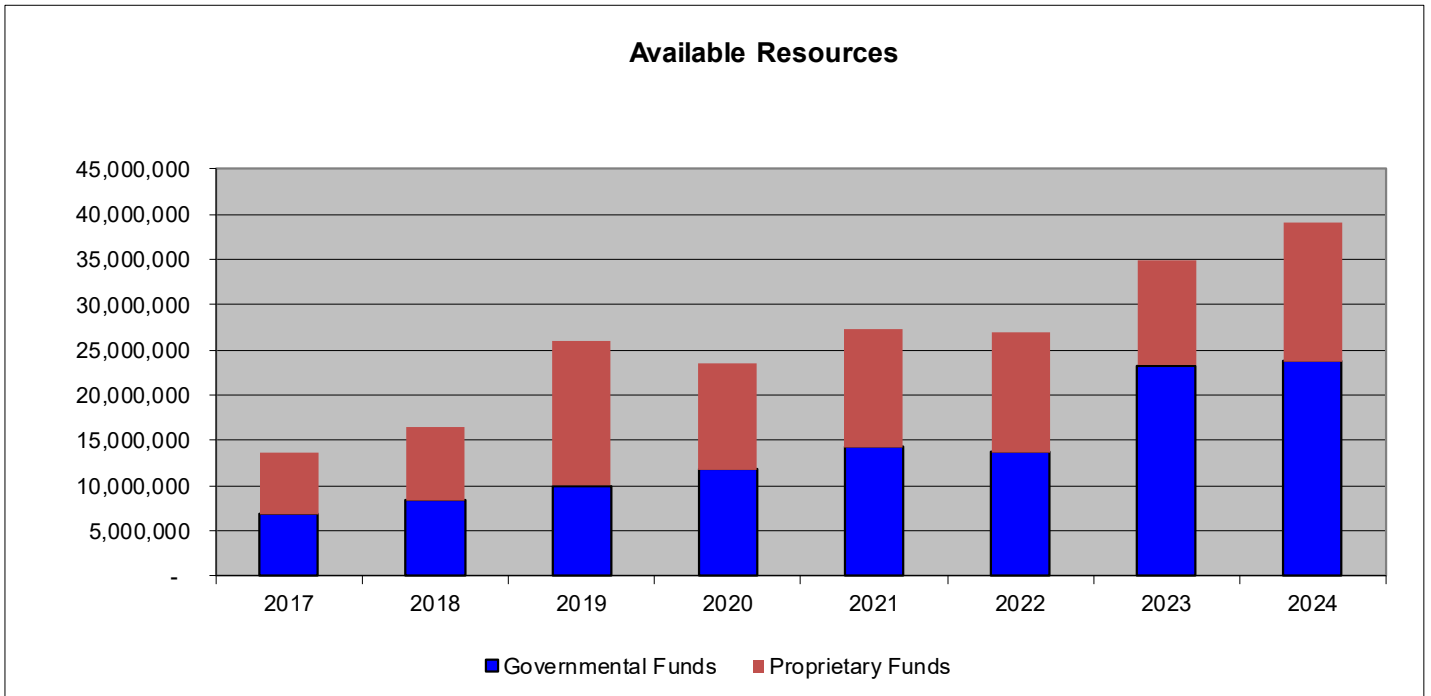
The City's available resources for 2024 is charted below:

	<u>Beginning Available Resources</u>	<u>Increase (Decrease)</u>	<u>Ending Available Resources</u>	<u>2024 Expenditures</u>	<u>% of EAR to Expenditures</u>
Governmental Funds:					
General Fund	9,992,050	(2,406,639)	7,585,411	12,814,394	59%
Conservation Trust Fund	100,761	24,316	125,077	41,710	300%
Ditch Fund	234,367	(234,367)	-	272,987	0%
Risk Management Fund	250,059	65,856	315,915	331,315	95%
Street Improvement Fund	4,409,540	2,179,252	6,588,792	4,768,188	138%
Marijuana Mitigation Fund	212,226	(39,277)	172,949	254,445	68%
Recreation Department	4,598,807	332,972	4,931,779	2,855,233	173%
Firefighters' Pension Fund	2,322,794	30,808	2,353,602	305,250	771%
Business-Type Funds:					
Enterprise Fund:					
Electric Department	8,511,402	267,359	8,778,761	8,060,572	109%
Water Department	1,175,259	2,204,159	3,379,418	2,815,965	120%
Waste Water Department	1,596,776	1,199,994	2,796,770	4,144,685	67%
Refuse Department	253,337	199,427	452,764	983,191	46%
Internal Service Fund:					
Fleet Management	1,137,020	533,242	1,670,262	937,283	178%
Facilities Maintenance	-	302,960	302,960	465,555	65%
	<u>34,794,398</u>	<u>4,660,062</u>	<u>39,454,460</u>	<u>39,050,773</u>	<u>101%</u>

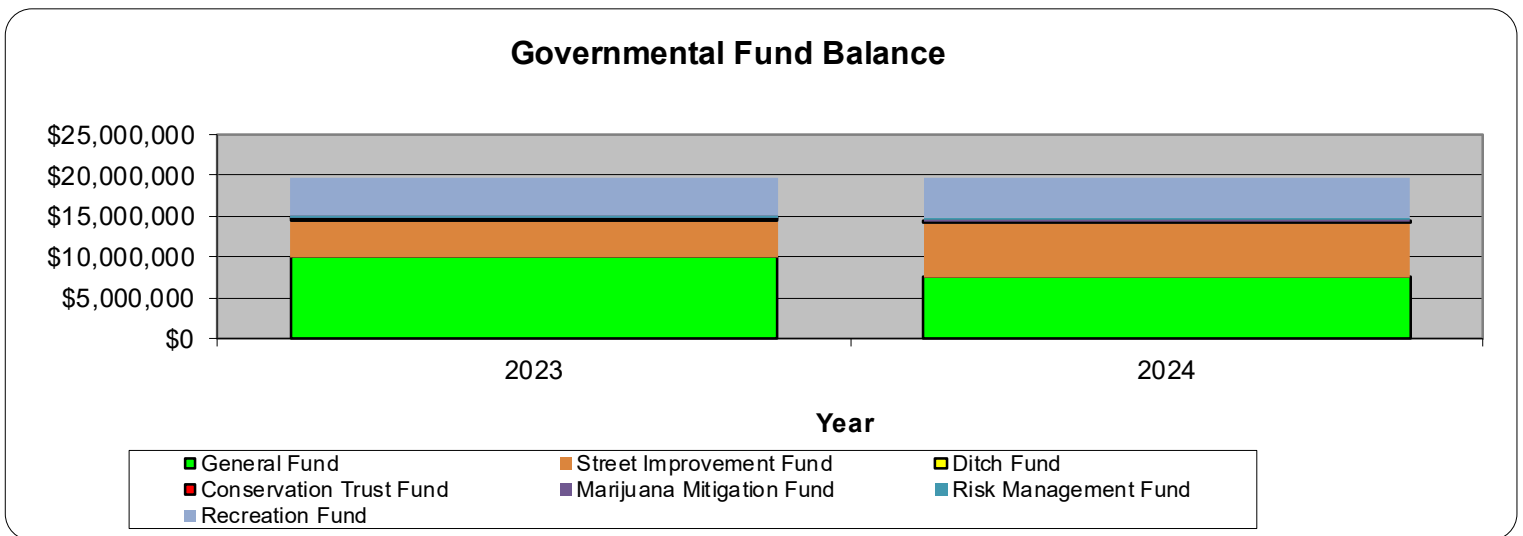
Financial Analysis of the City's Funds (continued)

Available Resources (continued):

The following chart represents the City's available resources for the past several years:



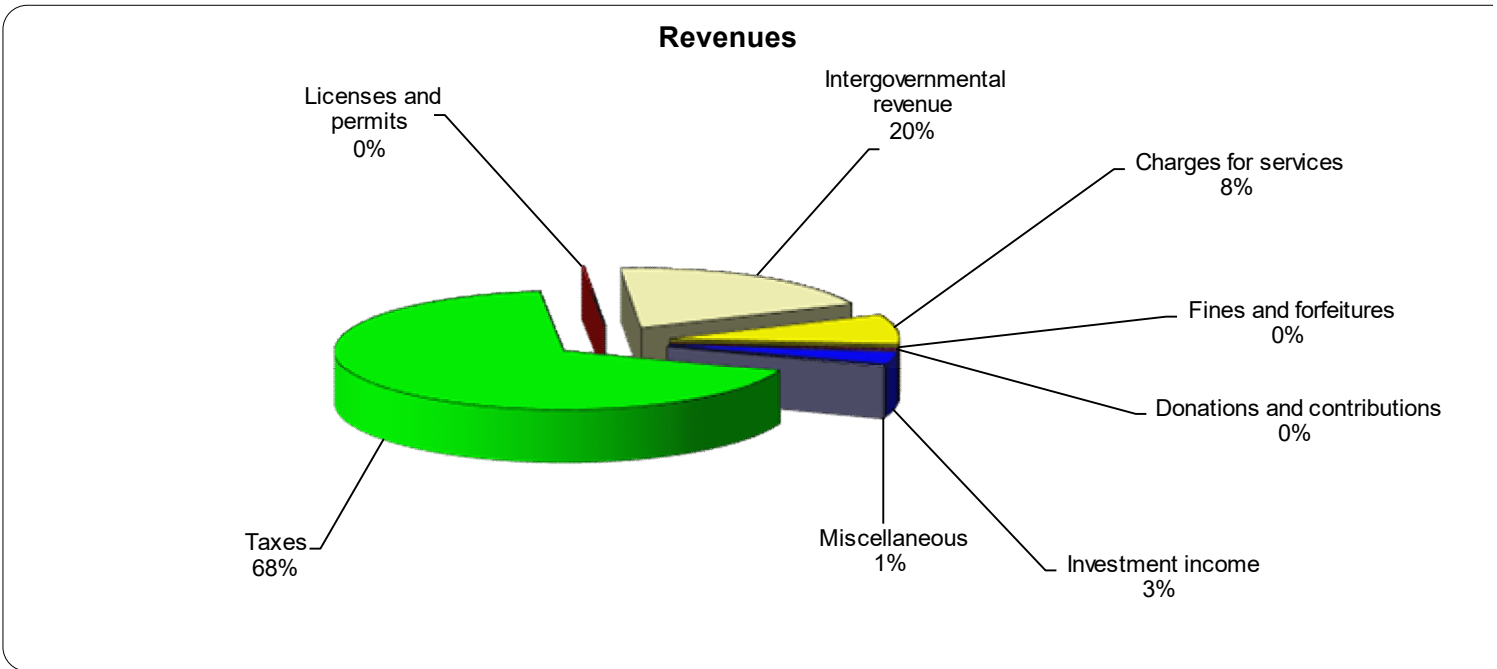
Governmental funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,719,923, a decrease of \$77,887 from the prior year ending fund balances. The City's fund balances for past two years are presented in graph format below.



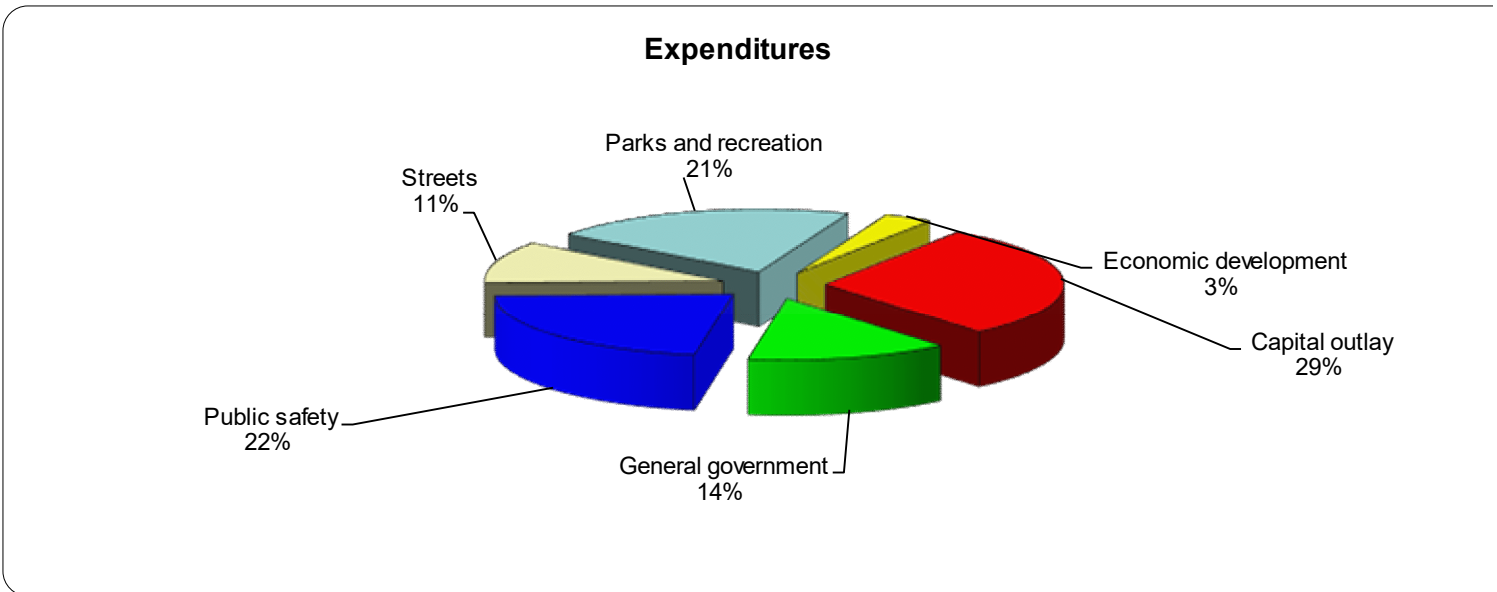
Financial Analysis of the City's Funds (continued)

Governmental funds (continued):

The City's total governmental funds' revenues were from the following sources:



The following is a graph of the City's governmental funds' expenditures by function for 2024:



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

Financial Analysis of the City's Funds (continued)

Budget variances in the General Fund: The City's significant General Fund budget variances are detailed as follows:

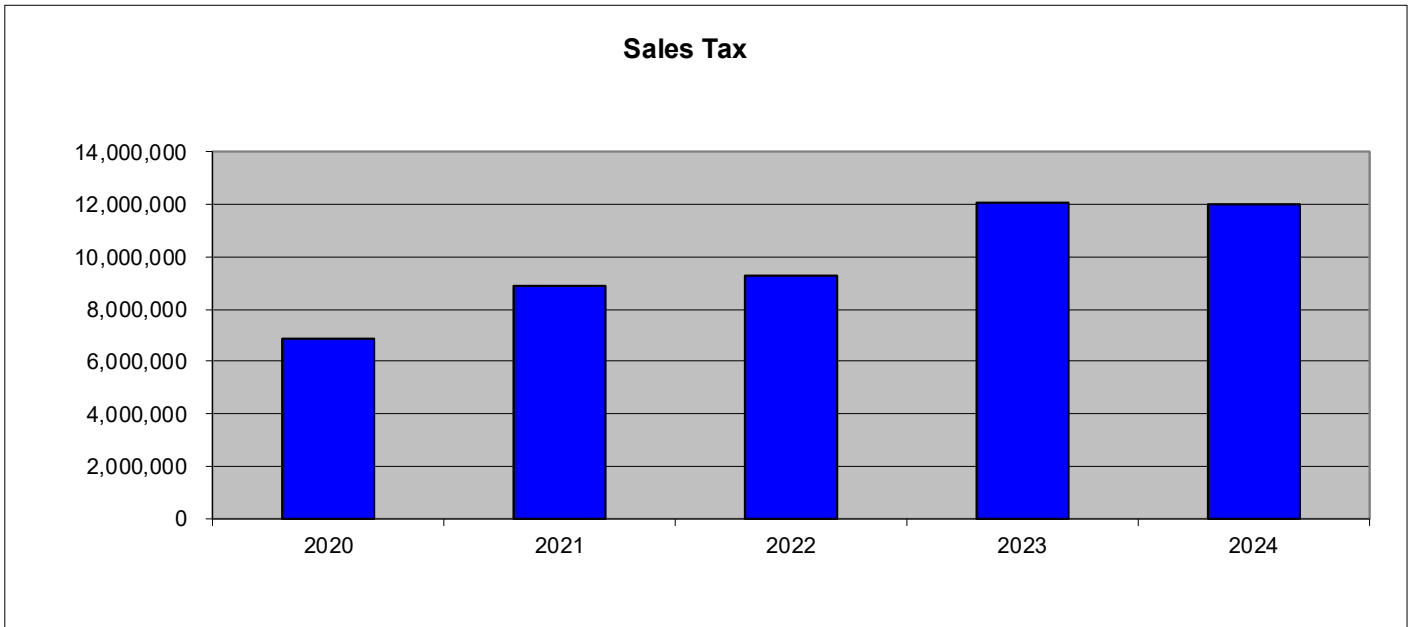
	Final Budget	Actual	Variance	Reason
Revenues:				
Sales & use tax	\$6,485,427	\$6,773,334	\$ 287,907	Conservative budgeting and some significant unanticipated audit assessments
Grant revenue	133,750	617,110	483,360	Receipt of a State of Colorado Department of Local Affairs Grant
Investment income	10,850	276,938	266,088	Favorable interest rates, and higher fund balances and lack of lease draw down due to Energy Performance Grant timing allowed for greater investment of funds
Total Revenues	9,337,143	10,240,584	903,441	
Expenditures:				
City manager	599,211	224,331	374,880	Special Projects position was budgeted but never hired
Police	3,652,146	3,463,319	188,827	Officer vacancies
Capital outlay and repairs	3,437,423	2,662,070	775,353	Energy performance contract did not require use of any owner contingency
Total Expenditures	12,417,452	10,508,257	1,794,875	

Capital assets: The City's government-wide capital assets, net of accumulated depreciation/amortization, increased due to additions in the current year. Additional information as well as a detailed classification of the City's net capital assets can be found in the Notes to the Financial Statements on pages D15 and D16 of this report.

Long-term debts: As of the end of the current fiscal year, the City had \$18,914,653 in total long-term obligations. More detail about the City's long-term obligations can be found on pages D16-D21.

Financial Analysis of the City's Funds (continued)

Sales and Use Tax: The City has 4% sales and use tax that is used to fund its governmental operations. The decrease in sales tax from 2023 was \$61,258 or 0.5%. The following chart indicates changes in the sales tax over the past five years. The chart does not take into account revenue sharing agreements.



Next year's budget and rates: The City's General Fund balance at the end of the current fiscal year was \$7,585,411. The City's 2025 budget anticipates an ending General Fund balance of \$4,491,249.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Finance Director, P.O. Box 239, Gunnison, Colorado 81230.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Gunnison, Colorado
Statement of Net Position
December 31, 2024

Assets:	Governmental Activities	Business- type Activities	Total
Current assets:			
Cash and investments - Unrestricted	15,790,083	11,543,649	27,333,732
Cash and investments - Restricted	2,505,088	2,550,000	5,055,088
Accounts, taxes, and interest receivable	4,768,196	2,452,938	7,221,134
Due from other governments	466,978	-	466,978
Prepaid expenses	170,665	1,146	171,811
Inventory	32,522	1,717,856	1,750,378
Total current assets	23,733,532	18,265,589	41,999,121
Capital assets:			
Land	2,928,848	731,455	3,660,303
Construction in progress	43,516	1,334,853	1,378,369
Land improvements	16,701,553	-	16,701,553
Buildings and improvements	28,400,327	26,303,531	54,703,858
Vehicles	3,714,235	-	3,714,235
Machinery and equipment	5,658,857	9,956,718	15,615,575
Subscription based IT arrangements	83,605	120,893	204,498
Less accumulated depreciation/amortization	(22,377,243)	(13,682,165)	(36,059,408)
Total capital assets (net of accumulated depr./amort.)	35,153,698	24,765,285	59,918,983
Total assets	58,887,230	43,030,874	101,918,104
Liabilities:			
Current liabilities:			
Accounts payable	1,068,936	1,915,858	2,984,794
Accrued payroll	193,508	64,467	257,975
Accrued expenses	11,730	9,854	21,584
Accrued interest payable	59,418	40,942	100,360
Deposits	2,300	32,799	35,099
Total current liabilities	1,335,892	2,063,920	3,399,812
Noncurrent liabilities:			
Compensated absences	841,053	173,758	1,014,811
Accrued expenses	-	5,000	5,000
Bonds payable:			
Due within one year	415,000	-	415,000
Due in more than one year	2,650,000	-	2,650,000
Subscription based IT arrangements payable:			
Due within one year	25,208	30,579	55,787
Due in more than one year	-	31,328	31,328
Loans payable:			
Due within one year	-	694,772	694,772
Due in more than one year	-	11,503,385	11,503,385
Financed purchases payable:			
Due within one year	323,143	68,605	391,748
Due in more than one year	2,003,543	149,279	2,152,822
Total noncurrent liabilities	6,257,947	12,656,706	18,914,653
Total liabilities	7,593,839	14,720,626	22,314,465
Deferred Inflows of Resources:			
Unavailable property tax revenue	496,020	-	496,020
Unavailable revenue - Other	208,481	-	208,481
Total deferred inflows of resources	704,501	-	704,501
Net Position:			
Net Investment in capital assets	32,682,100	14,899,244	47,581,344
Restricted	7,450,301	-	7,450,301
Unrestricted	10,456,489	13,411,004	23,867,493
Total Net Position	50,588,890	28,310,248	78,899,138

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

City of Gunnison, Colorado
Statement of Activities
December 31, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Functions/Programs							
Primary government:							
Governmental activities:							
General government	3,006,261	564,465	519,060	-	(1,922,736)	-	(1,922,736)
Public safety	4,055,489	30,082	118,747	-	(3,906,660)	-	(3,906,660)
Streets	3,872,246	1,428,256	3,006,311	228,612	790,933	-	790,933
Parks and recreation	4,616,526	1,021,338	158,144	-	(3,437,044)	-	(3,437,044)
Economic development	531,202	39,137	500	-	(491,565)	-	(491,565)
Interest	151,520	-	-	-	(151,520)	-	(151,520)
Total Governmental Activities	16,233,244	3,083,278	3,802,762	228,612	(9,118,592)	-	(9,118,592)
Business-type activities:							
Electric	7,298,953	8,243,753	-	-	-	944,800	944,800
Water	1,391,537	1,983,125	-	291,780	-	883,368	883,368
Sewer	3,123,796	3,620,661	-	1,617,687	-	2,114,552	2,114,552
Refuse	1,033,643	1,121,109	58,611	-	-	146,077	146,077
Total Business-type Activities	12,847,929	14,968,648	58,611	1,909,467	-	4,088,797	4,088,797
Total Primary Government	29,081,173	18,051,926	3,861,373	2,138,079	(9,118,592)	4,088,797	(5,029,795)
General Revenues:							
Property tax, levied for general purposes					514,185	-	514,185
Specific ownership tax					46,964	-	46,964
General sales and use tax					11,998,278	-	11,998,278
Franchise tax					939,419	-	939,419
Other miscellaneous taxes					216,950	-	216,950
Investment earnings					521,674	266,609	788,283
Unrealized gains (losses)					182,710	131,645	314,355
Grants and contributions not restricted to any program					27,167	-	27,167
Gain on disposal of assets					995	8,350	9,345
Transfers					(187,345)	187,345	-
Total General Revenues, Special Items, and Transfers					14,260,997	593,949	14,854,946
Change in Net Position					5,142,405	4,682,746	9,825,151
Net Position - Beginning (as restated)					45,446,485	23,627,502	69,073,987
Net Position - Ending					50,588,890	28,310,248	78,899,138

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

FUND FINANCIAL STATEMENTS

**City of Gunnison, Colorado
Balance Sheet
Governmental Funds
December 31, 2024**

	General	Street Improvement Fund	Ditch Fund	Recreation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Cash and investments - Unrestricted	4,094,858	4,126,172	-	4,922,966	602,904	13,746,900
Cash and investments - Restricted	2,505,088	-	-	-	-	2,505,088
Receivables, net of allowance for uncollectibles	1,471,164	2,760,960	-	3,159	36,047	4,271,330
Property tax receivable	496,020	-	-	-	-	496,020
Due from other governments	466,978	-	-	-	-	466,978
Inventories	-	-	-	32,522	-	32,522
Prepaid expenses	162,779	4,517	-	747	-	168,043
Total Assets	9,196,887	6,891,649	-	4,959,394	638,951	21,686,881
Liabilities and Fund Equity:						
Liabilities:						
Accounts payable	677,090	246,021	-	44,775	25,010	992,896
Accrued payroll	127,273	31,836	-	22,006	-	181,115
Accrued expenses	54,891	15,000	-	(43,162)	-	26,729
Accrued interest payable	55,421	-	-	3,996	-	59,417
Deposits	2,300	-	-	-	-	2,300
Total Liabilities	916,975	292,857	-	27,615	25,010	1,262,457
Deferred inflows of resources:						
Unavailable property tax revenue	496,020	-	-	-	-	496,020
Unavailable revenue - other	198,481	10,000	-	-	-	208,481
Total deferred inflows of resources	694,501	10,000	-	-	-	704,501
Fund Balances:						
Unspendable	162,779	4,517	-	747	-	168,043
Spendable:						
Restricted for emergencies	568,000	-	-	-	-	568,000
Restricted for road and bridge	-	6,584,275	-	-	-	6,584,275
Restricted for recreation	-	-	-	-	125,077	125,077
Restricted - other	-	-	-	-	172,949	172,949
Assigned	-	-	-	4,931,032	315,915	5,246,947
Unassigned	6,854,632	-	-	-	-	6,854,632
Total Fund Balances	7,585,411	6,588,792	-	4,931,779	613,941	19,719,923
Total Liabilities, Deferred Inflows of Resources and Fund Balances	9,196,887	6,891,649	-	4,959,394	638,951	21,686,881

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

City of Gunnison
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
December 31, 2024

Governmental Funds Total Fund Balance	19,719,923
Add:	
Capital assets used in governmental activities (excluding internal service fund) are not considered current financial resources and, therefore, not reported in the governmental funds.	53,140,018
Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	4,476,685
Less:	
Accumulated depreciation/amortization (excluding internal service fund) is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(20,541,066)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. This is the amount of long-term liabilities:	
Compensated absences	(789,776)
2021A Refunding SUTR Bonds	(3,065,000)
2023 Energy Financed Purchase	(2,326,686)
Subscription liabilities	(25,208)
Governmental Activities Net Position	50,588,890

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

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

	General	Street Improvement Fund	Ditch Fund	Recreation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	8,443,888	3,445,663	-	1,662,510	211,025	13,763,086
Licenses and permits	40,744	-	-	-	-	40,744
Intergovernmental revenue	707,695	3,234,923	30,964	-	64,679	4,038,261
Charges for services	572,471	6,072	-	675,984	379,132	1,633,659
Fines and forfeitures	8,085	29,245	-	-	-	37,330
Investment income	276,938	87,861	5,281	102,247	16,128	488,455
Unrealized gains (losses)	65,888	43,987	2,375	48,005	7,390	167,645
Donations and contributions	59,657	-	-	3,217	-	62,874
Miscellaneous	65,218	-	-	6,344	9	71,571
Total Revenues	<u>10,240,584</u>	<u>6,847,751</u>	<u>38,620</u>	<u>2,498,307</u>	<u>678,363</u>	<u>20,303,625</u>
Expenditures:						
General government	2,236,582	-	-	-	331,314	2,567,896
Public safety	4,027,369	-	-	-	90,000	4,117,369
Public works	-	1,943,029	60,642	-	-	2,003,671
Culture and recreation	2,117,063	-	-	1,771,628	-	3,888,691
Economic development	614,362	-	-	-	-	614,362
Capital outlay	2,662,070	2,822,941	25,000	-	20,842	5,530,853
Debt service	146,705	2,217	-	464,465	-	613,387
Total Expenditures	<u>11,804,151</u>	<u>4,768,187</u>	<u>85,642</u>	<u>2,236,093</u>	<u>442,156</u>	<u>19,336,229</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,563,567)</u>	<u>2,079,564</u>	<u>(47,022)</u>	<u>262,214</u>	<u>236,207</u>	<u>967,396</u>
Other Financing Sources (Uses):						
Sale of asset	500	-	-	-	-	500
Transfers in	166,672	99,688	-	689,898	-	956,258
Transfers (out)	(1,010,244)	-	(187,345)	(619,140)	(185,312)	(2,002,041)
Total Other Financing Sources (Uses)	<u>(843,072)</u>	<u>99,688</u>	<u>(187,345)</u>	<u>70,758</u>	<u>(185,312)</u>	<u>(1,045,283)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(2,406,639)</u>	<u>2,179,252</u>	<u>(234,367)</u>	<u>332,972</u>	<u>50,895</u>	<u>(77,887)</u>
Fund Balances - Beginning	<u>9,992,050</u>	<u>4,409,540</u>	<u>234,367</u>	<u>4,598,807</u>	<u>563,046</u>	<u>19,797,810</u>
Fund Balances - Ending	<u><u>7,585,411</u></u>	<u><u>6,588,792</u></u>	<u><u>-</u></u>	<u><u>4,931,779</u></u>	<u><u>613,941</u></u>	<u><u>19,719,923</u></u>

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

City of Gunnison
Reconciliation of Revenues, Expenditures and Changes in Fund
Balances (Deficit) of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2024

Governmental Funds Changes in Fund Balances	(77,887)
Add:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capitalized assets during the year.	5,533,250
Retirement of debt principal and bonds outstanding on the City's debt result in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these as reduction against the long-term liabilities.	444,415
Less:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the depreciation/amortization expense for the year.	(1,243,951)
Changes in the City employees' accrued compensated absences are considered changes in long-term liabilities. This is the amount that accrued compensated absences decreased.	(123,919)
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net income or loss of the internal service funds are included in the governmental statement of activities.	610,497
Governmental Activities Change in Net Position	5,142,405

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

**City of Gunnison
Statement of Net Position
Proprietary Funds
December 31, 2024**

	<u>Internal Service Funds</u>		
	<u>Enterprise Fund</u>	<u>Fleet Fund</u>	<u>Facilities Maintenance Fund</u>
Assets:			
Current assets:			
Cash and investments - unrestricted	11,543,649	1,707,534	335,648
Cash and investments - restricted	2,550,000	-	-
Accounts receivables, net of allowance for uncollectibles	2,452,938	619	228
Inventories	1,717,856	1,146	1,477
Prepaid expenses	1,146	-	-
Total current assets	<u>18,265,589</u>	<u>1,709,299</u>	<u>337,353</u>
Non-current assets:			
Land	731,455	-	-
Construction in progress	1,334,853	-	-
Building and improvements	26,303,531	301,368	14,153
Machinery and equipment	9,956,718	4,066,236	9,166
Subscription based IT arrangements	120,893	-	-
Less: Accumulated depreciation	(13,682,165)	(1,835,876)	(306)
Total non-current assets	<u>24,765,285</u>	<u>2,531,728</u>	<u>23,013</u>
Total Assets	<u>43,030,874</u>	<u>4,241,027</u>	<u>360,366</u>
Liabilities:			
Current liabilities:			
Accounts payable	1,915,858	30,298	30,739
Accrued payroll	64,467	8,739	3,654
Accrued expenses	9,854	-	-
Long term debt interest payable	40,942	-	-
Deposits held	32,799	-	-
Non-current liabilities due within one year:			
Financed purchases	68,605	-	-
Subscription based IT arrangements	30,579	-	-
Loans	694,772	-	-
Total current liabilities	<u>2,857,876</u>	<u>39,037</u>	<u>34,393</u>
Non-current liabilities:			
Accrued compensated absences	173,758	39,815	11,463
Accrued expenses	5,000	-	-
Non-Current Liabilities - due longer than one year:			
Financed purchases	149,279	-	-
Subscription based IT arrangements	31,328	-	-
Loans	11,503,385	-	-
Total non-current liabilities	<u>11,862,750</u>	<u>39,815</u>	<u>11,463</u>
Total Liabilities	<u>14,720,626</u>	<u>78,852</u>	<u>45,856</u>
Net Position:			
Net Investment in capital assets	14,837,337	2,531,728	23,013
Unrestricted	13,472,911	1,630,447	291,497
Total Net Position	<u>28,310,248</u>	<u>4,162,175</u>	<u>314,510</u>

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

City of Gunnison
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	<u>Internal Service Funds</u>		
	<u>Enterprise Fund</u>	<u>Fleet Fund</u>	<u>Facilities Maintenance Fund</u>
Operating Revenue:			
Utility sales	14,664,088	823,355	491,204
Other revenue	438,171	124	-
Operating Revenue	<u>15,102,259</u>	<u>823,479</u>	<u>491,204</u>
Operating Expenses:			
Salaries and employee benefits	6,517,605	-	-
Purchased power	11,194	-	-
Purchased services	1,920,676	-	-
Operations and maintenance	2,059,747	-	-
Supplies	928,605	-	-
Depreciation and amortization	1,349,147	326,761	306
Fleet expenditures	-	842,098	442,236
Operating Expenses	<u>12,786,974</u>	<u>1,168,859</u>	<u>442,542</u>
Operating income (loss)	2,315,285	(345,380)	48,662
Non-Operating Revenues (Expenses):			
Interest revenue	266,606	27,353	4,706
Interest expense	(135,953)	-	-
Unrealized gain (loss)	131,646	13,520	2,704
Grants and contributions	1,909,467	-	-
Sale of fixed assets	8,350	495	-
Total Non-Operating Revenues (Expenses)	<u>2,180,116</u>	<u>41,368</u>	<u>7,410</u>
Income (Loss) Before Contributions and Transfers	4,495,401	(304,012)	56,072
Transfers in	187,345	600,000	258,438
Change in Net Position	4,682,746	295,988	314,510
Total Net Position - Beginning (as restated)	<u>23,627,502</u>	<u>3,866,187</u>	<u>-</u>
Total Net Position - Ending	<u>28,310,248</u>	<u>4,162,175</u>	<u>314,510</u>

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

City of Gunnison
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	<u>Internal Service Funds</u>			<u>Total</u>
	<u>Enterprise Fund</u>	<u>Fleet Fund</u>	<u>Facilities Maintenance Fund</u>	
Cash Flows From Operating Activities:				
Cash received from customers for services	14,947,414	-	-	14,947,414
Cash received from interfund charges	-	822,878	490,976	1,313,854
Other cash received (paid)	436,370	124	-	436,494
Cash paid for goods and services	(4,459,373)	(838,409)	(412,973)	(5,710,755)
Cash paid for employment services	(6,515,964)	7,981	15,117	(6,492,866)
Net Cash Provided (Used) by Operating Activities	<u>4,408,447</u>	<u>(7,426)</u>	<u>93,120</u>	<u>4,494,141</u>
Cash Flows From Non-Capital Financing Activities:				
Transfers in	187,345	600,000	258,438	1,045,783
Net Cash Provided by Non-Capital Financing Activities	<u>187,345</u>	<u>600,000</u>	<u>258,438</u>	<u>1,045,783</u>
Cash Flows From Capital Financing Activities:				
Purchase of fixed assets	(3,868,772)	(94,692)	(23,319)	(3,986,783)
Proceeds on sale of fixed assets	8,350	-	-	8,350
Debt proceeds	(2,550,000)	-	-	(2,550,000)
Grants and contributions	1,909,467	-	-	1,909,467
Interest paid	(135,953)	-	-	(135,953)
Principal paid	4,356,468	-	-	4,356,468
Net Cash (Used) by Capital Financing Activities	<u>(280,440)</u>	<u>(94,692)</u>	<u>(23,319)</u>	<u>(398,451)</u>
Cash Flows From Investing Activities:				
Interest received	398,252	40,873	7,409	446,534
Net Cash Provided by Investing Activities	<u>398,252</u>	<u>40,873</u>	<u>7,409</u>	<u>446,534</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,713,604	538,755	335,648	5,588,007
Cash and Cash Equivalents - Beginning	9,380,045	1,168,779	-	10,548,824
Cash and Cash Equivalents - Ending	<u>14,093,649</u>	<u>1,707,534</u>	<u>335,648</u>	<u>16,136,831</u>
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating (loss)	2,315,285	(345,380)	48,662	2,018,567
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:				
Depreciation	1,349,147	326,761	306	1,676,214
(Increase) decrease in accounts receivable	283,326	(477)	(228)	282,621
(Increase) decrease in inventories	421,838	-	-	421,838
(Increase) decrease in prepaid expenses	7,410	143	(1,477)	6,076
Increase (decrease) in accounts payable	31,601	3,546	30,740	65,887
Increase (decrease) in compensated absences	(17,965)	5,681	11,463	(821)
Increase (decrease) in deposits	(1,801)	-	-	(1,801)
Increase (decrease) in accrued wages	19,606	2,300	3,654	25,560
Total Adjustments	<u>2,093,162</u>	<u>337,954</u>	<u>44,458</u>	<u>2,475,574</u>
Net Cash Provided (Used) by Operating Activities	<u>4,408,447</u>	<u>(7,426)</u>	<u>93,120</u>	<u>4,494,141</u>
Noncash investing, capital, and financing activities:				
Borrowing under financed purchase	(2,550,000)	-	-	(2,550,000)

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

City of Gunnison
Statement of Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2024

	<u>Volunteer Firefighters' Pension Fund</u>
Assets	
Cash and investments	<u>2,353,602</u>
Total Assets	<u><u>2,353,602</u></u>
Net Position	
Net position - held in trust for pension benefits	<u><u>2,353,602</u></u>

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

City of Gunnison
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2024

	<u>Volunteer Firefighters' Pension Fund</u>
Additions	
Contributions	
City	44,510
District	44,510
State	54,662
Earnings on investments	<u>192,376</u>
Total Additions	<u>336,058</u>
Deductions	
Benefits	287,675
Expenses	<u>17,575</u>
Total Deductions	<u>305,250</u>
Change in net position	30,808
Net position at beginning of year	<u>2,322,794</u>
Net position at end of year	<u><u>2,353,602</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

City of Gunnison
Notes to the Financial Statements
December 31, 2024

I. Summary of Significant Accounting Policies

The City of Gunnison (the "City"), was incorporated in 1880 and adopted its Home Rule Charter during 1962. The City operates under a Council-Manager form of government. The City's major operations include public safety (police and fire); highways and streets; sanitation; health and social services; culture - recreation; education; public improvements; planning and zoning; and general administrative services.

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

A. Reporting Entity

The reporting entity consists of the primary government and component units. Component units are legally separate entities that are included in a government's reporting entity because of the significance of their operating or financial relationships with the government. The City has not included any component units.

B. Joint Venture

The City participates in a joint venture created for special purposes, which are not part of the City's reporting entity. Additional information regarding the City's participation in the joint venture is provided in Note V. The following is a description of the joint venture in which the City participates:

Gunnison/Hinsdale Combined Emergency Telephone Service Authority - The City is one of 10 local governments which are members of the Gunnison/Hinsdale Combined Emergency Telephone Service Authority (the "Gunnison/Hinsdale Authority"). The Gunnison/Hinsdale Authority is an organization created by intergovernmental agreement in 1998 solely to provide for the operation of the emergency telephone service programs. Gunnison/Hinsdale Authority is governed by a seven (7) member board selected as defined in Article III of the agreement. The governing board is autonomous as to budgeting and fiscal matters.

The investment in the joint venture was recorded as an expenditure at the time the investment was made. Complete financial statements of the joint venture can be obtained from:

Gunnison/Hinsdale Combined Emergency
Telephone Service Authority
P.O. Box 239
Gunnison, Colorado 81230

C. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's public safety, road maintenance, culture and recreation, and administration are classified as governmental activities. The City's water and sewer utilities are classified as business activities.

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

I. Summary of Significant Accounting Policies (continued)

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

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts—net investment in capital assets; restricted; and unrestricted.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public safety, highways and streets, utilities, etc.). The functions are also supported by general government revenues (property and sales taxes, intergovernmental revenue, fines and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (property and sales taxes, interest income, etc.).

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

2. Categories and Classification of Fund Balance

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note I (C) (3) below.

3. Fund Balance Disclosure

The City classifies governmental fund balances as follows:

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

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

I. Summary of Significant Accounting Policies (continued)

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

3. Fund Balance Disclosure (continued)

Spendable Fund Balance: (continued)

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is City Board. The City’s original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the City Board platform to review, and/or make changes to each department’s budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to City Board via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after City Board approval, must be presented via a public process and again approval by City Board.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the City Board or its management designee.

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

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

The City does not have a formal minimum fund balance policy. However, the City’s budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to City Board.

4. Fund Financial Statements

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

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

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

I. Summary of Significant Accounting Policies (continued)

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

4. Fund Financial Statements (continued)

Special Revenue Funds

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

The *Street Improvement Fund* accounts for revenues derived from sales and use tax specifically for streets, as well as other revenues restricted for street improvements.

The *Ditch Fund* accounts for revenues derived from mineral leasing revenues or other earmarked revenue sources which finance specific activities as required by law or administrative action.

The *Recreation Fund* accounts for revenues derived from sales and use tax, as well as other program fees which finance specific activities for recreation.

The *Conservation Trust Fund* accounts for revenues derived from state lottery revenues or other earmarked revenue sources which finance specific activities as required by law or administrative action.

The *Marijuana Mitigation Fund* accounts for revenues derived from marijuana sales taxes which finance specific activities as required by law.

The *Risk Management Fund* accounts for revenues derived from insurance contributions which finance specific activities as required by law or administrative action.

Proprietary Funds

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

The *Enterprise Fund* accounts for the activities of the following departments: Electric, Water, Sewer, Refuse and Communication.

The *Internal Service Fund* accounts for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has two non-major internal service funds, the Fleet Management Fund and the Facilities Maintenance Fund.

Fiduciary Fund

The *Volunteer Firefighters' Pension Fund* accounts for retirement benefits for the volunteer firefighters.

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

I. Summary of Significant Accounting Policies (continued)

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

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

1. Long-term Economic Focus and Accrual Basis

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

2. Current Financial Focus and Modified Accrual Basis

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

3. Financial Statement Presentation

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

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

E. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

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

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

1. Cash, Cash Equivalents and Investments (continued)

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

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

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

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Prepaid expenses

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

4. Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased on the fund financial statements.

5. Property Taxes

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

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

6. Capital Assets

Capital assets, which include land, buildings and other improvements, machinery and equipment, infrastructure and vehicle assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

The City defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred. Infrastructure, buildings, and equipment are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	15 - 65
Buildings and improvements	15 - 50
Land improvements	15 - 25
Machinery and equipment	5 - 30
Licensed vehicles	5 - 8
Subscription assets	2 - 20

7. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City doesn't have any items that qualify for reporting in this category at December 31, 2024.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. Accordingly, these items, unavailable property tax revenue, and unavailable revenue, are deferred and recognized as inflows of resources in the period that the amounts become available.

8. Compensated Absences

Earned but unused vacation benefits of governmental funds are accrued when incurred in the governmental activities column in the government-wide financial statements. Earned but unused vacation benefits of the proprietary funds are accrued when incurred as an expense and liability of the proprietary fund where the payroll is paid.

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

9. Subscription Based Information Technology Arrangements (SBITA)

The City has entered into various SBITAs. The City recognizes a SBITA liability and an intangible right-to-use subscription asset in the government-wide financial statements and proprietary statement of net position. The City recognizes subscription assets and liabilities with an initial contract value of \$5,000 or more for subscriptions.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to SBITAs included the following:

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the third party is not provided, the City generally uses the estimated incremental borrowing rate as the discount rate.
- The subscription term includes the noncancelable period of the subscription.
- Subscription payments included in the measurement of the subscription liability is composed of the fixed payments.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

II. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that capital assets are recorded as assets when purchased and depreciated over the life of the assets. Net capital assets (excluding internal service fund) of \$32,598,952 represents capitalized costs of \$53,140,018 and accumulated depreciation/amortization of \$20,541,066.

Another element of that reconciliation states that "Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position." The result in an increase in net position of \$4,476,685 within governmental activities.

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

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

Another element of that reconciliation states that "Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The amount of long-term debt is comprised of compensated absences payable of \$789,776, bonds payable of \$3,065,000, financed purchase of \$2,326,686 and \$25,208 of subscription liabilities.

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

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense". The details of the net difference are net capital outlay of \$5,533,250 less depreciation/amortization expense of \$1,243,951.

Another element of that reconciliation states that "Changes in the City employees' accrued compensated absences are considered changes in long-term liabilities". The amount that accrued compensated absences decreased is \$123,919.

Another element of that reconciliation states that "Internal service funds are used by management to charge costs of various activities to the general and other funds. The net income or loss of the internal service funds are included in the governmental activities statement of activities." The net income of \$610,497 is included in the governmental statement of activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

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

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

1. For the 2024 budget year, prior to August 25, 2023 (revised November 30), the County Assessor sent to the City an assessed valuation of all taxable property within the City's boundaries.
2. The City Finance Director submitted to the Board, on or before October 15, 2023, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the City's operating requirements.
3. Prior to December 15, 2023, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
4. After adoption of the budget resolution, the City may make the following changes:
a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

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

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$568,000, which is the approximate required reserve at December 31, 2024.

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

IV. Detailed Notes on All Funds

A. Deposits and Investments

The City' deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the City's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the City's demand deposits was at year end. Petty cash totaled \$3,201.

Fair Value of Investments

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

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

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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

Investments Measured at Fair Value	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Certificates of deposit	\$ 2,946,758	-	2,946,758	-
United States Treasuries	2,481,328	-	2,481,328	-
United States Agencies	12,312,852	-	12,312,852	-
Investments Measured at Net Asset Value				
COLOTRUST	4,042,697			
Investments Measured at Amortized Cost				
CSAFE	1,551,338			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries and U.S. Agencies: quoted prices for identical securities in markets that are not active;
- Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices.

The Investment Pool represents investments in COLOTRUST and C-SAFE. The fair value of the pool is determined by the pool's share price. The City has no regulatory oversight for the pool. At December 31, 2024, the City's investments in COLOTRUST and C-SAFE were 17% and 7% of the City's investment portfolio, respectively.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The City coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the City has limited its interest rate risk.

Credit Risk. State law and City policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The City's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments (continued)

Concentration of Credit Risk. The City diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, Congressionally authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding City funds must provide the City with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

Restricted Cash. The City had \$5,055,088 of restricted cash in the General Fund for energy performance projects.

At December 31, 2024, unrealized gains were \$218,444 which reflect changes in the fair market value of investments. At year end, the City had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less than one year	One to five years
<i>Petty cash:</i>	Not Rated	\$ 3,201	\$ 3,201	\$ -
<i>Demand Deposits:</i>				
Checking, savings & money mkt	Not Rated	3,995,558	3,995,558	-
Certificates of deposit	Not Rated	2,946,758	2,958,221	730,821
<i>Investments:</i>				
Cash with fiscal agent	Not Rated	5,055,088	5,055,088	-
United States Agencies	AA+	12,312,852	-	12,312,852
United States Treasuries	AA+	2,481,328	965,000	1,516,328
Pension fund investments	AA+	2,353,602	-	2,353,602
Investment Pools	AAAm	5,594,035	5,594,035	-
		<u>\$ 34,742,422</u>	<u>\$ 18,571,103</u>	<u>\$ 16,913,603</u>
 <i>Reconciliation to Statements of Net Position:</i>				
		\$ 27,333,732		
		5,055,088		
		<u>2,353,602</u>		
		<u>\$ 34,742,422</u>		

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables (continued)

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

	Governmental Funds				Total
	General	Street Improvement Fund	Recreation Fund	Other Governmental Funds	
Receivables:					
Taxes	\$ 496,020	\$ -	\$ -	\$ -	\$ 496,020
Accounts and other receivable	1,471,164	2,760,960	3,159	36,047	4,271,330
Due from other governments	466,978	-	-	-	466,978
Gross receivables	2,434,162	2,760,960	3,159	36,047	5,234,328
Less: allowance for uncollectible	-	-	-	-	-
Net Receivables	\$ 2,434,162	\$ 2,760,960	\$ 3,159	\$ 36,047	\$ 5,234,328

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes property taxes levied in 2024 but not available until 2025.

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

	Enterprise Funds				Total
	Electric Department	Water Department	Wastewater Department	Refuse Department	
Receivables:					
Accounts receivable	\$ 1,453,679	\$ 186,464	\$ 640,835	\$ 171,960	\$ 2,452,938
Gross receivables	1,453,679	186,464	640,835	171,960	2,452,938
Less: allowance for uncollectible	-	-	-	-	-
Net Receivables	\$ 1,453,679	\$ 186,464	\$ 640,835	\$ 171,960	\$ 2,452,938

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,928,848	\$ -	\$ -	\$ 2,928,848
Construction in progress	2,662,761	10,300	(2,629,545)	43,516
Capital assets, being depreciated/amortized:				
Land improvements	16,666,740	34,813	-	16,701,553
Buildings and improvements	20,438,269	7,962,058	-	28,400,327
Machinery and equipment	5,473,829	263,417	(78,389)	5,658,857
Vehicles	3,735,572	10,711	(32,048)	3,714,235
Subscription assets	83,605	-	-	83,605
Total capital assets being depreciated/amortized	<u>51,989,624</u>	<u>8,281,299</u>	<u>(2,739,982)</u>	<u>57,530,941</u>
Less accumulated depreciation/amortization for:				
Land improvements	(2,888,308)	(316,642)	-	(3,204,950)
Buildings and improvements	(6,997,974)	(471,114)	-	(7,469,088)
Infrastructure	(5,685,434)	(212,765)	-	(5,898,199)
Machinery and equipment	(2,609,680)	(349,383)	78,389	(2,880,674)
Vehicles	(2,705,759)	(191,607)	32,048	(2,865,318)
Subscription assets	(29,507)	(29,507)	-	(59,014)
Total accumulated depreciation/amortization	<u>(20,916,662)</u>	<u>(1,571,018)</u>	<u>110,437</u>	<u>(22,377,243)</u>
Governmental Activities Capital Assets, Net	<u>\$ 31,072,962</u>	<u>\$ 6,710,281</u>	<u>\$ (2,629,545)</u>	<u>\$ 35,153,698</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 726,455	\$ 5,000	\$ -	\$ 731,455
Construction in progress	6,496	1,328,357	-	1,334,853
Total capital assets, not depreciated	<u>732,951</u>	<u>1,333,357</u>	<u>-</u>	<u>2,066,308</u>
Capital assets, being depreciated/amortized:				
Building and improvements	23,918,719	2,414,734	(29,922)	26,303,531
Machinery and equipment	9,994,891	120,683	(158,856)	9,956,718
Subscription assets	120,893	-	-	120,893
Total capital assets being depreciated/amortized	<u>34,034,503</u>	<u>2,535,417</u>	<u>(188,778)</u>	<u>36,381,142</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(6,947,372)	(845,075)	29,922	(7,762,525)
Machinery and equipment	(5,544,201)	(473,849)	158,856	(5,859,194)
Subscription assets	(30,223)	(30,223)	-	(60,446)
Total accumulated depreciation/amortization	<u>(12,521,796)</u>	<u>(1,349,147)</u>	<u>188,778</u>	<u>(13,682,165)</u>
Business-type activities capital assets, net	<u>\$ 22,245,658</u>	<u>\$ 2,519,627</u>	<u>\$ -</u>	<u>\$ 24,765,285</u>

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

The City had the following capital outlay and depreciation/amortization expense for the following functions:

	Depreciation /Amortization Expense	Capital Outlay
<i>Governmental activities:</i>		
General government	\$ 249,809	\$ 2,438,007
Public safety	105,476	10,711
Public works	558,944	2,937,186
Parks and recreation	656,789	265,850
Total - Governmental Activities	\$ 1,571,018	\$ 5,651,754
 <i>Business-type activities:</i>		
Electric Department	\$ 266,599	\$ 1,210,300
Water Department	114,569	1,384,361
Wastewater Department	852,248	1,274,113
Refuse Department	115,731	-
Total - Business-type Activities	\$ 1,349,147	\$ 3,868,774

D. Transfers

At December 31, 2024, the City had the following transfers:

	In	Out
<i>Governmental Funds:</i>		
General Fund	\$ 166,672	\$ (1,010,244)
Street Improvement Fund	99,688	-
Ditch Fund	-	(187,345)
Recreation Department	689,898	(619,140)
Other Governmental Funds	-	(185,312)
<i>Internal Service Funds:</i>		
Fleet Fund	600,000	-
Facilities Maintenance Fund	258,438	-
<i>Proprietary Funds:</i>		
Water Department	187,345	-
Total	\$ 2,002,041	\$ (2,002,041)

The above transfers were made to allocate funds to the fund's particular function.

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities

1. 2019 Sewer Revolving Fund Loan

On May 1, 2019, the City entered into a loan agreement with the Colorado Water Resources and Power Development Authority (the "Authority") for the amount of \$9,541,520. The funds were used for improvements at the existing wastewater treatment facility. The interest rate is 1.69% and the payments are due August 1 and February 1 beginning August 1, 2019 and ending on August 1, 2039. The principal outstanding at December 31, 2024 was \$7,391,989.

2. 2019 Green Reserve Loan

On May 22, 2019, the City entered into a loan agreement with the Authority for the amount of \$3,000,000. The funds will be used for improvements at the existing wastewater treatment facility. The interest rate will be 0.5% annually if the finally constructed project is certified by the Colorado Department of Public Health and the Environment, Water Quality Control Division ("WQCD") as a Green Project or 2.5% if the project is not certified as a Green Project. The payments are due May 1 and November 1 beginning May 1, 2020 and ending on November 1, 2039. At the discretion of the Authority, the loan may be forgiven in an amount up to 100% of the principal amount of the loan. The principal outstanding at December 31, 2024 was \$2,324,135.

3. Sales and Use Tax Revenue Refunding Note, Series 2021

On July 29, 2021, the City issued the \$4,655,000 sales and use tax Revenue note to refund the 2017 Sales and Use Tax Revenue Bonds. The interest rate is 1.582%, payable on June 1 and December 1. The principal is payable on December 1 and matures in various increments through 2031. The principal outstanding at December 31, 2024 was \$3,065,000. The refunding was undertaken to reduce total debt service payments by \$263,525 and resulted in an economic gain of \$243,555.

4. 2023 Refuse Financed Purchase

During 2023, the City entered into a financed purchase agreement with Community First National Bank for the amount of \$361,528. The funds were used to purchase a refuse truck. The interest rate is 5.75% annually and the payments are due August 1 beginning August 1, 2023 and ending on August 1, 2027. The principal outstanding at December 31, 2024 was \$217,884.

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

5. 2023 Energy Financed Purchase

During 2023, the City entered into a financed purchase agreement with Capital One Public Funding for the amount of \$2,331,537. The funds were used to fund several energy performance projects. The interest rate is 4.79% annually and the payments are due biannually on January 1 and July 1 beginning January 1, 2024 and ending on July 1, 2043. The principal outstanding at December 31, 2024 was \$2,326,686.

6. Accrued Compensated Absences

Earned but unused compensated absence (e.g. paid time off) benefits amounted to \$1,014,811 at December 31, 2024. Unused compensated absences are shown as long-term debt on the Government-wide Statement of Net Position. Unused compensated absences of proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees.

7. Debt Schedule

The following debt payments are required:

Year	Governmental Activities Debt		
	Principal	Interest	Total
2025	\$ 738,143	\$ 159,801	\$ 897,944
2026	440,422	137,713	578,135
2027	453,777	130,149	583,926
2028	470,934	122,123	593,057
2029	488,753	113,588	602,341
2030 - 2034	1,242,754	441,994	1,684,748
2035 - 2039	668,594	308,827	977,421
2040 - 2043	888,309	101,204	989,513
Total	\$ 5,391,686	\$ 1,515,399	\$ 6,907,085

Year	Business-Type Activities Debt		
	Principal	Interest	Total
2025	\$ 763,377	\$ 134,971	\$ 898,348
2026	780,098	120,593	900,691
2027	791,027	106,190	897,217
2028	725,531	91,998	817,529
2029	737,264	82,671	819,935
2030 - 2034	3,825,607	299,210	4,124,817
2035 - 2039	4,189,932	140,070	4,330,002
2040 - 2043	603,205	27,459	630,664
Total	\$ 12,416,041	\$ 1,003,162	\$ 13,419,203

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

9. Subscription Based Information Technology Arrangements

In October 2022, the City entered into a three year subscription agreement as for the cyber security. An initial lease liability was recorded in the amount of \$83,785 during the current year. As of December 31, 2024, the value of the lease liability was \$24,590. The City is required to make monthly principal and interest payments of \$2,550. The lease has an interest rate of 2.51%. The value of the right-to-use asset as of the end of the current year was \$83,605 and had accumulated amortization of \$59,015.

In January 2022, the City entered into a five year agreement for the subscription of technology services and data acquisition for its water meters. An initial lease liability was recorded in the amount of \$47,260 during the current year. As of December 31, 2024, the value of the lease liability was \$24,201. The City is required to make monthly principal and interest payments of \$1,034. The lease has an interest rate of 2.42%. The value of the right-to-use asset as of the end of the current year was \$47,260 and had accumulated amortization of \$23,630.

In January 2022, the City entered into a five year agreement for the subscription of technology services and data acquisition for its wastewater meters. An initial lease liability was recorded in the amount of \$73,633 during the current year. As of December 31, 2024, the value of the lease liability was \$37,706. The City is required to make monthly principal and interest payments of \$1,611. The lease has an interest rate of 2.42%. The value of the right-to-use asset as of the end of the current year was \$73,633 and had accumulated amortization of \$36,816.

The future subscription payments under SBITAs are as follows:

Year	Governmental Activities		
	Principal	Interest	Total
2025	\$ 29,564	\$ 1,036	\$ 30,600
2026	25,209	291	25,500
2027	-	-	-
Total	\$ 54,773	\$ 1,327	\$ 56,100

Year	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 29,849	\$ 1,891	\$ 31,740
2026	30,580	1,160	31,740
2027	31,328	412	31,740
Total	\$ 91,757	\$ 3,463	\$ 95,220

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

10. Changes in Debt

The City had the following changes in debt for the year ended December 31, 2024:

	<u>1/1/24</u> <u>(as restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/24</u>	<u>Due within one year</u>
Governmental Activities Debt:					
2021 SUTR Refunding Bonds	\$ 3,475,000	\$ -	\$ 410,000	\$ 3,065,000	\$ 415,000
2023 Energy Financed Purchase	2,331,537	-	4,851	2,326,686	323,143
Subscription liability	54,851	-	29,643	25,208	25,208
Compensated absences	690,778	150,275	-	841,053	-
Enterprise Debt:					
Accrued expenses	5,000	-	-	5,000	-
2019 Green Reserve	2,472,974	-	148,839	2,324,135	149,585
2019 Sewer Revolving Loan	7,823,994	-	432,005	7,391,989	436,621
2023 Refuse Financed Purchase	282,756	-	64,872	217,884	68,605
2024 Water Loan	-	2,550,000	67,967	2,482,033	108,566
Subscription liability	91,841	-	29,934	61,907	30,579
Compensated absences	191,724	-	17,966	173,758	-
Total	<u>\$ 17,420,455</u>	<u>\$ 2,700,275</u>	<u>\$ 1,206,077</u>	<u>\$ 18,914,653</u>	<u>\$ 1,557,307</u>

The compensated absences liability will be paid from the funds which employees' salaries are paid.

11. Debt Disclosure Requirements

The City is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

F. Pollution Remediation Obligation

State and federal laws and regulations require the City to place a final cover on all its land-fill sites when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and post closure care costs will be paid only near, or after, the date the landfill stops accepting waste, the City is required to report a portion of these closure and post closure care costs as an expense in the government-wide financial statements. This expense is based on landfill capacity used at the reporting date. The current year expenditures of the landfills are reported in the Refuse Department of the enterprise fund, business-type activities. The long term liability and expense are reported in the statement of net position and the statement of activities.

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Detailed Notes on All Funds (continued)

F. Pollution Remediation Obligation (continued)

During 2012, the City determined that the City has fulfilled its remediation of the landfill, with the exception of additional testing that may be required before the remediation is closed out. In 2024, the City maintained the liability of \$5,000. Actual costs may be higher due to inflation, changes in technology or changes in regulations. Closure and care financial requirements are expected to be met by the operations of the enterprise fund.

G. Pension Plans

1. Police Officer's Pension Plan

The City contributes to a defined contribution agent multiple-employer public employee retirement system on behalf of all full-time police officers employed. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City and the employees each contribute 11.2% of the employee's base salary. This contribution rate and other provisions are established and may be amended by City Council. Employees vest in City contributions and interest earnings thereon immediately. During the year ended December 31, 2024, employees and the City made the required contributions to the plan of \$452,497 and \$176,238, respectively.

All of the Police Officer's Pension Plan investments at December 31, 2024 of \$6,850,316 are managed by the Colorado Retirement Association ("CRA"). Separately issued financial statements for the plan may be obtained from CRA at 4949 South Syracuse St., Suite 400, Denver, Colorado 80237.

2. General Employee Pension Plan

The City contributes to a defined contribution agent multiple-employer public employee retirement system on behalf of all full-time general employees with one or more service years. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City and the employees each contribute 5% of the employee's base salary. This contribution rate and other provisions are established and may be amended by City Council. Employees vest in City contributions and interest earnings thereon immediately. During the year ended December 31, 2021, employees and the City made the required contributions to the plan of \$360,892 and \$360,892 respectively.

All of the General Employee Pension Plan investments at December 31, 2024 of \$9,762,868 are managed CRA. Separately issued financial statements for the plan may be obtained from CRA at 4949 South Syracuse St., Suite 400, Denver, Colorado 80237.

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Pension Plans (continued)

3. Volunteer Firefighters' Pension Plan

Plan Description. The City has a single employer-defined benefit pension plan for volunteer firefighters as authorized by State of Colorado Statutes. The Volunteer Firefighters' Pension Plan (the "Plan") is administered by the Gunnison Firemen's Pension Fund Board of Trustees ("Board of Trustees"). The Board of Trustees consists of the Fire Chief of the Gunnison Volunteer Fire Department, two members of the Gunnison City Council, two members of the Gunnison Volunteer Fire Department, and two members of the Gunnison County Fire Protection District Board of Directors.

As of December 31, 2024, the Plan had 27 active non-retired members, and 42 retired members, for a total of 69 participants. This plan does not issue separate stand-alone financial statements.

An actuary is used to determine the adequacy of contributions. The study indicates that the current contributions to the Plan are adequate to support, on an actuarially sound basis, the prospective benefits for the present plan.

Benefits provided. Any firefighter who has attained the age of fifty and has also completed twenty years of active service shall be eligible for a monthly pension. A firefighter who is disabled in the line of duty and whose disability is considered permanent shall be compensated in an amount determined by the Pension Board to be reasonable and proper considering the financial condition of the Fund. The Plan also provides for a 50% spousal benefit upon the death of a retired firefighter, or a payment to be determined by the Pension Board if the death occurs prior to retirement. The Plan Board of Trustees has the authority to establish or amend benefit terms.

Contributions. The Plan receives contributions from the City (in an amount not to exceed one-half mill of property tax revenue) and from the State of Colorado. The contributions are not actuarially determined. In 2024, the City contributed \$44,510 to the Plan, the Fire Protection District contributed \$44,510, and the State contributed \$54,662. None of the City's payroll is covered by the pension plan because the firefighters are volunteers.

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Detailed Notes on All Funds (continued)

G. Pension Plans (continued)

3. Volunteer Firefighters' Pension Plan (continued)

Investment policy. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees by a majority vote of its members. It is the policy of the Board of Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Emphasis is on balance between current income and longer-term capital appreciation. Assets are primarily invested in equity and fixed-income securities with a moderate to strong emphasis on capital appreciation and current income. The account's investment objective includes an average risk tolerance and intermediate to longer term time horizon. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2013:

	Maximum %	Minimum %	Strategic Target
Equity	60%	40%	50%
Fixed-income	57%	37%	47%
Cash (or equivalents)	5%	0%	3%

Concentrations. As of December 31, 2024, the pension fund held no concentrations of investments with individual organizations equaling or exceeding 5 percent of the pension plan's fiduciary net position.

Money-weighted rate of return. This rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability. The components of the net pension liability of the Plan at December 31, 2024 are as follows:

Total pension liability	\$ 3,764,094
Fiduciary net position	2,353,602
Net pension liability	\$ 1,410,492

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Detailed Notes on All Funds (continued)

G. Pension Plans (continued)

3. Volunteer Firefighters' Pension Plan (continued)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2025, using the following actuarial assumptions applied to all periods included in the measurement.

Actuarial cost method	Entry-age
Asset valuation method	Market value
Real rate of investment return	3.25% per annum compounded annually
Inflation rate	2.75% per annum compounded annually
Actuarial funding discount rate	6.00% per annum compounded annually
Expense loading	Actuarial funding discount rate is net of expenses
Valuation census	Closed group of lives as of the valuation date
Mortality rates	1994 GAM rates - modified
Turnover rates	Graduated rates by attained age
Disability rates	None used
Retirement age	Age 50, after 20 years of service
Age difference	Males assumed to be 3 years older than females
Marital status	80% of all members are married

An actuarial experience study was not performed as the census data is too small to yield credible results. Demographic assumptions were selected using standard mortality and turnover tables that produce reasonable results for this group of lives. Mortality rates and disability rates for ages before 65 are assumed to be zero to recognize that mortality or disability for this group is virtually non-existent before that particular age.

Discount rate. Actuarial funding discount rates are set by consensus between the Board of Trustees, the actuary and the investment advisor. The discount rate used to measure the total pension liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all 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.

Sensitivity of the net pension liability to changes in actuarial discount rate. The following presents the net pension liability calculated using the discount rate of 6.0 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.0 percent) or 1-percentage point higher (7.0 percent) than the current rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
Net pension liability	\$ 1,818,889	\$ 1,410,492	\$ 1,069,407

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Detailed Notes on All Funds (continued)

H. Deferred Compensation Plan – Section 457

The City offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

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

Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. The City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City is neither the trustee nor the administrator for the plans.

The general employee plan is administered by Mission Square Retirement ("Mission Square") and the police employee plan is administered by CRA. The City's contributions to the plans for the year ended December 31, 2024 were \$8,625 to the Mission Square plan and \$114,116 to the CRA plan.

I. Restricted Fund Balance

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

	<u>1/1/24</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/24</u>
<i>General Fund:</i>				
Emergency reserves	\$ 298,000	\$ 270,000	\$ -	568,000
<i>Street Improvement Fund:</i>				
Road and bridge	4,407,215	2,177,060	-	6,584,275
<i>Conservation Trust:</i>				
Recreation	100,761	24,316	-	125,077
<i>Marijuana Mitigation:</i>				
Other	212,226	-	39,277	172,949
	<u>\$ 5,018,202</u>	<u>\$ 2,471,376</u>	<u>\$ 39,277</u>	<u>7,450,301</u>

J. Committed Fund Balance

The City had the following committed fund balances at December 31, 2024:

	<u>1/1/24</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/24</u>
<i>Ditch Fund:</i>				
Ditch maintenance	\$ 551,428	\$ -	\$ (551,428)	\$ -
	<u>\$ 551,428</u>	<u>-</u>	<u>(551,428)</u>	<u>-</u>

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

IV. Detailed Notes on All Funds (continued)

K. Assigned Fund Balance

The City had the following assigned fund balances at December 31, 2024:

<i>Special Revenue Funds:</i>	<u>1/1/24</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/24</u>
Recreation fund	\$ 4,598,807	\$ 332,225	\$ -	4,931,032
Risk management fund	154,548	161,367	-	315,915
	<u>\$ 4,753,355</u>	<u>\$ 493,592</u>	<u>\$ -</u>	<u>\$ 5,246,947</u>

V. Other Information

A. Joint Venture

At December 31, 2024, Gunnison/Hinsdale Authority had assets of \$2,060,976, liabilities of \$720,432 and \$1,340,544 in net position. Total revenues for 2024 were \$1,948,176 and total expenses were \$1,458,583 resulting in a net change in fund balance of \$489,593. The amount of the City's share of these amounts is based upon the percentage of the county wide telephone accesses to be served.

B. Risk Management

The City is exposed to various risks of loss related to workers' compensation and general liability. The City has acquired commercial coverage for these risks and any settled claims are not expected to exceed the commercial insurance coverage. The City is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. To address such risks, the City is a participant in a public entity risk pool administered by Colorado Intergovernmental Risk Sharing Agency ("CIRSA").

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

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

Fund:	Property and Casualty Pool Equity Ratio	Worker's Compensation Pool Equity Ratio
Loss Fund	0.603%	2.795%
Operating Fund	0.039%	0.631%
Reserve Fund	1.875%	0.622%

City of Gunnison
Notes to the Financial Statements
December 31, 2024
(continued)

V. Other Information (continued)

B. Risk Management (continued)

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

Assets:	
Cash and investments	\$ 98,496,751
Other assets	6,370,143
Total Assets	<u>\$104,866,894</u>
Total liabilities	<u>\$ 67,056,273</u>
Net position	<u>\$ 37,810,621</u>
Total Revenues	\$ 55,696,415
Total Expenses	(51,954,991)
Change in Net Position	<u>\$ 3,741,424</u>

C. Grants

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

D. Standard Implementation

As of January 1, 2024, the City implemented GASB Statement No. 101, Compensated Absences ("GASB 101"). This standard requires entities to recognize a liability for all forms of compensated absences, including those that are not paid upon an employee's separation from service, such as sick leave. The standard requires entities to estimate the compensated absence liability based on historical data regarding the accumulation and forfeiture of leave balances rather than solely on termination payouts. The City applied GASB 101 retroactively by restating the beginning governmental activities net position as of January 1, 2024. The adoption of this standard resulted in a decrease of in the beginning governmental activities net position as of January 1, 2024 as shown below:

	12/31/2023	Restatement:	12/31/2023
	As Previously	Increase /	As Restated
	Reported	(Decrease)	
Government-Wide:			
Governmental activities	45,661,878	(215,393)	45,446,485
Business-type activities	23,688,173	(60,671)	23,627,502
Total Primary Government	<u>69,350,051</u>	<u>(276,064)</u>	<u>69,073,987</u>
Proprietary Funds:			
Enterprise Fund	23,688,173	(60,671)	23,627,502
Internal Service Fund	3,875,400	(9,213)	3,866,187
Total Proprietary Funds	<u>27,563,573</u>	<u>(69,884)</u>	<u>27,493,689</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	2024		Final Budget Variance Positive (Negative)	2023
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes:				
General property taxes	500,744	514,185	13,441	426,555
Sales & use tax	6,485,427	6,773,334	287,907	6,771,892
Franchise tax	1,090,051	939,419	(150,632)	1,004,810
Other taxes	224,925	216,950	(7,975)	1,092,504
Total Taxes	8,301,147	8,443,888	142,741	9,295,761
Licenses and Permits:				
Other licenses and permits	57,865	40,744	(17,121)	200,980
Intergovernmental Revenue:				
Grant revenue	133,750	617,110	483,360	454,226
Other intergovernmental revenue	105,488	90,585	(14,903)	119,215
Total Intergovernmental Revenue	239,238	707,695	468,457	573,441
Charges for Services:				
Real estate transfer fee	-	-	-	302,071
Recreation revenue	292,943	330,913	37,970	266,964
Other charges for services	291,318	219,850	(71,468)	127,927
Rents	24,300	21,708	(2,592)	34,123
Total Charges for Services	608,561	572,471	(36,090)	731,085
Fines and Forfeitures:				
Traffic fines	4,324	8,085	3,761	15,872
Miscellaneous Revenue:				
Investment income	10,850	276,938	266,088	215,374
Unrealized gains (losses)	-	65,888	65,888	162,241
Donations and contributions	60,200	59,657	(543)	115,857
Other income	54,958	65,218	10,260	92,726
Total Miscellaneous Revenue	126,008	467,701	341,693	586,198
Total Revenues	9,337,143	10,240,584	903,441	11,403,337
Expenditures:				
General Government:				
City council	88,416	77,749	10,667	7,415
Municipal court	95,941	91,707	4,234	70,066
City attorney	182,892	152,751	30,141	98,602
City manager	599,211	224,331	374,880	111,003
City clerk	117,546	113,388	4,158	131,375
Finance	578,834	477,853	100,981	398,018
General services	272,096	247,431	24,665	251,663
Community development	736,286	642,754	93,532	600,176
Community outreach	109,458	106,881	2,577	92,009
Employee housing	66,400	55,666	10,734	15,133
City management	169,138	46,072	123,066	-
Total General Government	3,016,218	2,236,583	779,635	1,775,460

(continued on E2)

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

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	2024		Final Budget Variance Positive (Negative)	2023
	Original and Final Budget	Actual		Actual
Expenditures: (continued)				
Public Safety:				
Police	3,652,146	3,463,319	188,827	3,028,243
Building inspection	157,104	156,645	459	174,149
Fire department	483,748	353,102	130,646	310,725
LE Victim Advocate Program	92,082	54,303	37,779	59,953
Victims of Crime Act Grant	-	-	-	1,286
Total Public Safety	4,385,080	4,027,369	357,711	3,574,356
Public Works:				
Facilities maintenance	-	-	-	42,843
Janitorial services	-	-	-	11,326
City hall	-	-	-	105,063
Public Works Administration	-	-	-	30,780
City shop	-	-	-	(53,325)
Total Public Works	-	-	-	136,687
Culture and Recreation:				
Cranor Hill	54,284	36,280	18,004	35,549
Senior meals	112,022	137,775	(25,753)	126,080
Senior programming	85,881	87,461	(1,580)	96,949
Recreation administration	524,458	498,000	26,458	471,224
Recreation programs	296,794	301,590	(4,796)	251,349
Parks	974,185	952,226	21,959	867,948
Van Tuyl Ranch	-	-	-	1,842
Lazy K Infrastructure Grant	118,750	97,500	21,250	101,676
Lazy K Infrastructure Non-Grant	-	-	-	692
Next50 senior grant	3,196	6,231	(3,035)	-
Total Culture and Recreation	2,169,570	2,117,063	52,507	1,953,309
Economic Development:				
Public service grants	64,125	63,250	875	59,900
Economic development grants	574,383	531,202	43,181	502,848
Strategic partnerships	20,310	19,910	400	19,410
Total Economic Development	658,818	614,362	44,456	582,158
Capital Outlay:				
Capital outlay and repairs	3,437,423	2,662,070	775,353	2,554,957
Debt Service:				
Interest	106,407	112,290	(5,883)	52,032
Principal	4,851	34,415	(29,564)	28,832
Total Debt Service	111,258	146,705	(35,447)	80,864
Total Expenditures	13,778,367	11,804,152	1,974,215	10,657,791
Excess (Deficiency) of Revenues over Expenditures	(4,441,224)	(1,563,568)	2,877,656	745,546
Other Financing Sources (Uses):				
Transfer in	274,645	166,672	(107,973)	1,290,836
Transfer (out)	(1,060,556)	(1,010,243)	50,313	(1,200,184)
Financed purchase proceeds	-	-	-	2,331,537
Sale of assets	-	500	500	10,100
Total Other Financing Sources (Uses)	(785,911)	(843,071)	(57,160)	2,432,289
Net Change in Fund Balance	(5,227,135)	(2,406,639)	2,820,496	3,177,835
Fund Balance - Beginning		9,992,050		6,814,215
Fund Balance - Ending		7,585,411		9,992,050

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

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Street Improvement Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	<u>2024</u>			<u>2023</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Taxes:				
Specific ownership tax	43,260	46,964	3,704	45,830
Sales & use tax	3,173,946	3,351,409	177,463	2,383,093
Miscellaneous revenue	-	47,290	47,290	28,500
Total Taxes	<u>3,217,206</u>	<u>3,445,663</u>	<u>228,457</u>	<u>2,457,423</u>
Intergovernmental revenue:				
State grants	3,920,493	3,234,923	(685,570)	1,009,685
Charges for Services:				
Permits	4,150	6,072	1,922	36,917
Fines and Forfeitures:				
Traffic fines	30,385	29,245	(1,140)	32,615
Investment income	1,750	87,861	86,111	51,481
Unrealized gains (losses)	500	43,987	43,487	54,648
Total Revenues	<u>7,174,484</u>	<u>6,847,751</u>	<u>(326,733)</u>	<u>3,642,769</u>
Expenditures:				
Public works	3,468,888	1,943,029	1,525,859	1,602,243
Capital outlay	4,670,733	2,822,941	1,847,792	1,298,022
Debt service	5,167	2,217	2,950	11,504
Total Expenditures	<u>8,144,788</u>	<u>4,768,187</u>	<u>3,376,601</u>	<u>2,911,769</u>
Excess (Deficiency) of Revenues over Expenditures	(970,304)	2,079,564	(3,703,334)	731,000
Other Financing Sources (Uses):				
Transfer in	150,000	99,688	(50,312)	454,407
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>99,688</u>	<u>(50,312)</u>	<u>454,407</u>
Net Change in Fund Balance	<u>(820,304)</u>	2,179,252	<u>(3,753,646)</u>	1,185,407
Fund Balance - Beginning		<u>4,409,540</u>		<u>3,224,133</u>
Fund Balance - Ending		<u>6,588,792</u>		<u>4,409,540</u>

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

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Ditch Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	<u>2024</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2023</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Intergovernmental revenue:				
Mineral leasing	30,000	30,964	964	54,862
Investment income	200	5,281	5,081	4,662
Unrealized gains (losses)	350	2,375	2,025	4,753
Total Revenues	<u>30,550</u>	<u>38,620</u>	<u>8,070</u>	<u>64,277</u>
Expenditures:				
Public works	182,810	60,642	122,168	32,958
Capital outlay	50,000	25,000	25,000	-
Total Expenditures	<u>232,810</u>	<u>85,642</u>	<u>147,168</u>	<u>32,958</u>
Excess (Deficiency) of Revenues over Expenditures	(202,260)	(47,022)	(139,098)	31,319
Other Financing Sources (Uses):				
Transfer in	15,000	-	(15,000)	-
Transfer (out)	-	(187,345)	(187,345)	-
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>(187,345)</u>	<u>(202,345)</u>	<u>-</u>
Net Change in Fund Balance	<u>(187,260)</u>	<u>(234,367)</u>	<u>(341,443)</u>	31,319
Fund Balance - Beginning		<u>234,367</u>		<u>203,048</u>
Fund Balance - Ending		<u>-</u>		<u>234,367</u>

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

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Recreation Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	2024		Final Budget Variance Positive (Negative)	2023
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes	1,574,477	1,662,510	88,033	2,647,881
Grants and contributions	1,000	3,217	2,217	3,405
Charges for services	578,877	675,984	97,107	676,294
Interest revenue	17,050	102,247	85,197	86,659
Unrealized gains (losses)	2,800	48,005	45,205	78,023
Other revenue	28,600	6,344	(22,256)	8,890
Total Revenues	2,202,804	2,498,307	295,503	3,501,152
Expenditures:				
Salaries and employee benefits	1,036,274	1,052,634	(16,360)	953,322
Purchased services	1,482,352	634,727	847,625	571,704
Operations and maintenance	32,082	18,300	13,782	22,006
Supplies	109,500	65,967	43,533	207,093
Capital outlay	70,000	-	70,000	257,163
Debt service - principal	410,000	410,000	-	405,000
Debt service - interest	55,975	54,465	1,510	30,138
Expenditures	3,196,183	2,236,093	960,090	2,446,426
Excess (Deficiency) of Revenues over Expenditures	(993,379)	262,214	1,255,593	1,054,726
Other Financing Sources (Uses):				
Sale of capital assets	-	-	-	42,000
Transfers in	1,498,918	689,898	(809,020)	784,200
Transfers (out)	(1,532,000)	(619,140)	912,860	(1,933,396)
Total Other Financing Sources (Uses)	(33,082)	70,758	103,840	(1,107,196)
Net Change in Fund Balance	(1,026,461)	332,972	1,359,433	(52,470)
Fund Balance - Beginning		4,598,807		4,651,277
Fund Balance - Ending		4,931,779		4,598,807

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

City of Gunnison, Colorado
Schedule of Changes in Net Pension Liability and Related Ratios
Volunteer Firefighters' Pension Fund (Unaudited)
December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	30,137	34,607	42,346	29,432	34,413	34,522	25,739	20,432	19,739	28,211
Interest cost	219,933	185,064	185,373	184,175	194,001	197,908	169,664	151,455	134,458	141,346
Changes in plan benefits	627,349	-	-	-	-	332,243	-	323,200	323,808	-
Actuarial variations	22,488	10,351	32,262	46,822	(139,841)	(53,186)	147,019	9,540	(11,699)	(118,110)
Changes in assumptions	-	-	-	-	-	-	14,848	-	-	-
Benefits paid	(287,750)	(255,750)	(259,050)	(247,700)	(247,000)	(241,500)	(213,625)	(199,300)	(168,128)	(147,425)
Net Change in Pension Liability	612,157	(25,728)	931	12,729	(158,427)	269,987	143,645	305,327	298,178	(95,978)
Total Pension Liability - Beginning	3,151,937	3,177,665	3,176,734	3,164,005	3,322,432	3,052,445	2,908,800	2,603,473	2,305,295	2,401,273
Total Pension Liability - Ending	3,764,094	3,151,937	3,177,665	3,176,734	3,164,005	3,322,432	3,052,445	2,908,800	2,603,473	2,305,295
Plan Fiduciary Net Position										
City contribution	44,510	40,510	40,510	40,510	40,510	40,510	40,510	35,022	32,700	32,700
District contribution	44,510	40,510	40,510	40,510	40,510	40,510	40,510	35,022	32,700	32,700
Pension plan net investment income	192,376	276,466	(368,215)	220,900	320,458	370,581	(89,479)	267,561	145,397	(4,268)
Benefit payments	(287,675)	(255,750)	(259,050)	(247,700)	(247,000)	(241,500)	(213,625)	(199,300)	(164,128)	(147,425)
Pension plan administrative expenses	(17,575)	(16,913)	(16,190)	(17,208)	(17,000)	(17,000)	(17,000)	(17,000)	(16,961)	(16,420)
State of Colorado supplemental discretionary payment	54,662	54,662	54,662	54,662	54,662	54,662	50,960	53,238	58,860	58,860
Net Change in Plan Fiduciary Net Position	30,808	139,485	(507,773)	91,674	192,140	247,763	(188,124)	174,543	88,568	(43,853)
Plan Fiduciary Net Position - Beginning	2,322,794	2,183,309	2,691,082	2,599,408	2,407,268	2,159,505	2,347,629	2,173,086	2,084,518	2,128,371
Plan Fiduciary Net Position - Ending	2,353,602	2,322,794	2,183,309	2,691,082	2,599,408	2,407,268	2,159,505	2,347,629	2,173,086	2,084,518
Net Pension Liability - Ending	1,410,492	829,143	994,356	485,652	564,597	915,164	892,940	561,171	430,387	220,777
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.5%	73.7%	68.7%	84.7%	82.2%	72.5%	70.7%	80.7%	83.5%	90.4%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

City of Gunnison
Schedule of Contributions
Volunteer Firefighters' Pension Fund (Unaudited)
December 31, 2024

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2012	17,861	130,830	(112,969)	N/A	N/A
2013	47,616	101,400	(53,784)	N/A	N/A
2014	34,892	159,603	(124,711)	N/A	N/A
2015	46,915	124,260	(77,345)	N/A	N/A
2016	34,870	124,260	(89,390)	N/A	N/A
2017	49,929	123,282	(73,353)	N/A	N/A
2018	64,200	131,980	(67,780)	N/A	N/A
2019	95,721	135,682	(39,961)	N/A	N/A
2020	97,135	135,682	(38,547)	N/A	N/A
2021	68,128	135,682	(67,554)	N/A	N/A
2022	75,631	135,682	(60,051)	N/A	N/A
2023	102,757	135,682	(32,925)	N/A	N/A
2024	86,964	143,682	(56,718)	N/A	N/A

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

City of Gunnison
Schedule of Investment Returns
Volunteer Firefighters' Pension Fund (Unaudited)
December 31, 2024

FY Ending December 31,	Net Money- Weighted Rate of Return
2012	12.88%
2013	13.58%
2014	5.19%
2015	-1.00%
2016	6.38%
2017	12.02%
2018	-4.73%
2019	17.25%
2020	13.22%
2021	8.19%
2022	-14.94%
2023	12.56%

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

SUPPLEMENTARY INFORMATION

City of Gunnison, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	<u>Special Revenue</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Conservation Trust</u>	<u>Risk Management Fund</u>	<u>Marijuana Mitigation Fund</u>	
Assets:				
Cash and investments - Unrestricted	105,148	339,938	157,818	602,904
Receivables, net of allowance for uncollectibles	20,877	39	15,131	36,047
Total Assets	<u>126,025</u>	<u>339,977</u>	<u>172,949</u>	<u>638,951</u>
Liabilities and Fund Equity:				
Liabilities:				
Accounts payable	948	24,062	-	25,010
Total Liabilities	<u>948</u>	<u>24,062</u>	<u>-</u>	<u>25,010</u>
Fund Balances:				
Spendable:				
Restricted for recreation	125,077	-	-	125,077
Restricted - other	-	-	172,949	172,949
Assigned	-	315,915	-	315,915
Total Fund Balances	<u>125,077</u>	<u>315,915</u>	<u>172,949</u>	<u>613,941</u>
Total Liabilities and Fund Balances	<u>126,025</u>	<u>339,977</u>	<u>172,949</u>	<u>638,951</u>

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

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

	Special Revenue			Total Nonmajor Governmental Funds
	Conservation Trust	Risk Management Fund	Marijuana Mitigation Fund	
Revenues:				
Taxes	-	-	211,025	211,025
Intergovernmental revenue	62,431	2,248	-	64,679
Charges for services	-	379,132	-	379,132
Investment income	2,427	10,930	2,771	16,128
Unrealized gains (losses)	1,158	4,860	1,372	7,390
Miscellaneous	9	-	-	9
Total Revenues	<u>66,025</u>	<u>397,170</u>	<u>215,168</u>	<u>678,363</u>
Expenditures:				
General government	-	331,314	-	331,314
Public safety	-	-	90,000	90,000
Capital outlay and repairs	20,842	-	-	20,842
Total Expenditures	<u>20,842</u>	<u>331,314</u>	<u>90,000</u>	<u>442,156</u>
Excess (Deficiency) of Revenues Over Expenditures	45,183	65,856	125,168	236,207
Other Financing Sources (Uses):				
Transfers (out)	(20,867)	-	(164,445)	(185,312)
Total Other Financing Sources (Uses)	<u>(20,867)</u>	<u>-</u>	<u>(164,445)</u>	<u>(185,312)</u>
Net Change in Fund Balance	24,316	65,856	(39,277)	50,895
Fund Balances - Beginning	100,761	250,059	212,226	563,046
Fund Balances - Ending	<u>125,077</u>	<u>315,915</u>	<u>172,949</u>	<u>613,941</u>

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

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Conservation Trust Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	<u>2024</u>			<u>2023</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Intergovernmental revenue:				
State lottery funds	75,000	62,431	(12,569)	71,461
Other income	10	9	(1)	66
Investment income	150	2,427	2,277	1,910
Unrealized gains (losses)	100	1,158	1,058	2,231
Total Revenues	<u>75,260</u>	<u>66,025</u>	<u>(9,235)</u>	<u>75,668</u>
Expenditures:				
Capital outlay and repairs	38,500	20,842	17,658	29,669
Total Expenditures	<u>38,500</u>	<u>20,842</u>	<u>17,658</u>	<u>29,669</u>
Excess (Deficiency) of Revenues Over Expenditures	36,760	45,183	8,423	45,999
Other Financing Sources (Uses):				
Transfers (out)	(25,000)	(20,867)	4,133	(23,886)
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(20,867)</u>	<u>4,133</u>	<u>(23,886)</u>
Net Change in Fund Balance		24,316		22,113
Fund Balance - Beginning		<u>100,761</u>		<u>78,648</u>
Fund Balance - Ending		<u><u>125,077</u></u>		<u><u>100,761</u></u>

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

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Risk Management Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	2024		Final Budget Variance Positive (Negative)	2023
	Original and Final Budget	Actual		Actual
Revenues:				
Charges for services	379,093	379,132	39	305,856
Intergovernmental revenue	2,233	2,248	15	6,698
Investment income	500	10,930	10,430	12,437
Unrealized gains (losses)	250	4,860	4,610	11,657
Total Revenues	382,076	397,170	15,094	336,648
Expenditures:				
Insurance premiums	312,076	305,751	6,325	239,144
Insurance claims	150,000	25,563	124,437	74,124
Professional services	5,000	-	5,000	4,959
Total Expenditures	467,076	331,314	135,762	318,227
Net Change in Fund Balance		65,856		18,421
Fund Balance - Beginning		250,059		231,638
Fund Balance - Ending		315,915		250,059

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

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Marijuana Mitigation Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	<u>2024</u>			<u>2023</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Taxes:				
Sales and use	257,530	211,025	(46,505)	256,671
Investment income	1,750	4,143	2,393	5,533
Total Revenues	<u>259,280</u>	<u>215,168</u>	<u>(44,112)</u>	<u>262,204</u>
Expenditures:				
Public safety	90,000	90,000	-	145,000
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>-</u>	<u>145,000</u>
Excess (Deficiency) of Revenues over Expenditures	169,280	125,168	(44,112)	117,204
Other Financing Sources (Uses):				
Transfer (out)	(164,445)	(164,445)	-	(205,457)
Total Other Financing Sources (Uses)	<u>(164,445)</u>	<u>(164,445)</u>	<u>-</u>	<u>(205,457)</u>
Net Change in Fund Balance		(39,277)		(88,253)
Fund Balance - Beginning		<u>212,226</u>		<u>300,479</u>
Fund Balance - Ending		<u><u>172,949</u></u>		<u><u>212,226</u></u>

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

City of Gunnison, Colorado
Combining Statement of Net Position
Departments of the Enterprise Fund
For the Year Ended December 31, 2024

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Refuse Department</u>	<u>Total</u>
Assets:					
Current assets:					
Cash and cash equivalents	7,211,964	1,008,266	2,956,214	367,205	11,543,649
Cash and cash equivalents - restricted	-	2,550,000	-	-	2,550,000
Accounts receivables, net of allowance for uncollectibles	1,453,679	186,464	640,835	171,960	2,452,938
Inventories	1,473,370	169,343	48,467	26,676	1,717,856
Prepaid expenses	-	1,146	-	-	1,146
Total current assets	<u>10,139,013</u>	<u>3,915,219</u>	<u>3,645,516</u>	<u>565,841</u>	<u>18,265,589</u>
Non-current assets:					
Land	175,045	55,000	501,410	-	731,455
Construction in progress	6,496	1,328,357	-	-	1,334,853
Building and improvements	4,837,480	1,513,199	19,641,656	311,196	26,303,531
Machinery and equipment	2,845,979	1,476,502	4,240,038	1,394,199	9,956,718
Subscription assets	-	47,260	73,633	-	120,893
Less: Accumulated depreciation/amortization	(2,337,897)	(1,452,858)	(9,185,658)	(705,752)	(13,682,165)
Total non-current assets:	<u>5,527,103</u>	<u>2,967,460</u>	<u>15,271,079</u>	<u>999,643</u>	<u>24,765,285</u>
Total Assets	<u>15,666,116</u>	<u>6,882,679</u>	<u>18,916,595</u>	<u>1,565,484</u>	<u>43,030,874</u>
Liabilities:					
Current liabilities:					
Accounts payable	1,294,492	394,743	194,194	32,429	1,915,858
Accrued payroll	23,218	12,309	22,118	6,822	64,467
Accrued expenses	9,744	-	110	-	9,854
Accrued interest	-	8,228	27,493	5,221	40,942
Deposits held	32,799	-	-	-	32,799
Non-current liabilities due within one year:					
Financed purchases	-	-	-	68,605	68,605
Subscription liabilities	-	11,954	18,625	-	30,579
Loans	-	108,566	586,206	-	694,772
Total current liabilities:	<u>1,360,253</u>	<u>535,800</u>	<u>848,746</u>	<u>113,077</u>	<u>2,857,876</u>
Non-current liabilities:					
Accrued compensated absences	75,442	43,079	45,879	9,358	173,758
Accrued expenses	-	-	-	5,000	5,000
Non-Current Liabilities - due longer than one year:					
Financed purchases	-	-	-	149,279	149,279
Subscription liabilities	-	12,247	19,081	-	31,328
Loans	-	2,373,467	9,129,918	-	11,503,385
Total non-current liabilities	<u>75,442</u>	<u>2,428,793</u>	<u>9,194,878</u>	<u>163,637</u>	<u>11,862,750</u>
Total Liabilities	<u>1,435,695</u>	<u>2,964,593</u>	<u>10,043,624</u>	<u>276,714</u>	<u>14,720,626</u>
Net Position:					
Net investment in capital assets	5,527,103	3,011,226	5,517,249	781,759	14,837,337
Unrestricted	8,703,318	906,860	3,355,722	507,011	13,472,911
Total Net Position	<u>14,230,421</u>	<u>3,918,086</u>	<u>8,872,971</u>	<u>1,288,770</u>	<u>28,310,248</u>

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

City of Gunnison, Colorado
Combining Statement of Revenues, Expenses and Changes in Net Position
Departments of the Enterprise Fund
For the Year Ended December 31, 2024

	Electric Department	Water Department	Sewer Department	Refuse Department	Total
Operating Revenue:					
Sales	8,191,952	1,978,865	3,372,260	1,121,011	14,664,088
Other revenue	51,801	79,260	248,401	58,709	438,171
Operating Revenue	<u>8,243,753</u>	<u>2,058,125</u>	<u>3,620,661</u>	<u>1,179,720</u>	<u>15,102,259</u>
Operating Expenses:					
Salaries and employee benefits	5,032,375	402,809	746,911	335,510	6,517,605
Purchased power	11,194	-	-	-	11,194
Purchased services	316,379	478,516	876,867	248,914	1,920,676
Operations and maintenance	1,027,873	300,363	456,092	275,419	2,059,747
Supplies	644,533	128,874	111,864	43,334	928,605
Depreciation and amortization	266,599	114,569	852,248	115,731	1,349,147
Operating Expenses	<u>7,298,953</u>	<u>1,425,131</u>	<u>3,043,982</u>	<u>1,018,908</u>	<u>12,786,974</u>
Operating income (loss)	944,800	632,994	576,679	160,812	2,315,285
Non-Operating Revenues (Expenses):					
Interest revenue	182,081	26,718	48,689	9,118	266,606
Interest expense	-	(41,405)	(79,814)	(14,734)	(135,953)
Unrealized gains (losses)	90,005	13,684	23,018	4,939	131,646
Grants and contributions	-	291,780	1,617,687	-	1,909,467
Sale of fixed assets	-	-	8,350	-	8,350
Total Non-Operating Revenues (Expenses)	<u>272,086</u>	<u>290,777</u>	<u>1,617,930</u>	<u>(677)</u>	<u>2,180,116</u>
Income (Loss) Before Contributions and Transfers	1,216,886	923,771	2,194,609	160,135	4,495,401
Transfers in	-	187,345	-	-	187,345
Change in Net Position	<u>1,216,886</u>	<u>1,111,116</u>	<u>2,194,609</u>	<u>160,135</u>	<u>4,682,746</u>
Total Net Position - Beginning (as restated)	<u>13,013,535</u>	<u>2,806,970</u>	<u>6,678,362</u>	<u>1,128,635</u>	<u>23,627,502</u>
Total Net Position - Ending	<u><u>14,230,421</u></u>	<u><u>3,918,086</u></u>	<u><u>8,872,971</u></u>	<u><u>1,288,770</u></u>	<u><u>28,310,248</u></u>

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

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Electric Department
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	<u>2024</u>		Final Budget Variance Positive (Negative)	<u>2023</u>
	Original and Final Budget	Actual		Actual
Operating Revenue:				
Sales	9,120,422	8,191,952	(928,470)	8,874,715
Other revenue	8,150	51,801	43,651	43,534
Operating Revenue	<u>9,128,572</u>	<u>8,243,753</u>	<u>(884,819)</u>	<u>8,918,249</u>
Operating Expenses:				
Salaries and employee benefits	5,076,515	5,032,375	44,140	4,963,673
Purchased power	5,350	11,194	(5,844)	1,090
Purchased services	664,443	316,379	348,064	435,223
Operations and maintenance	2,765,939	1,027,873	1,738,066	1,240,984
Supplies	238,250	644,533	(406,283)	(253,009)
Capital outlay	-	1,210,300	(1,210,300)	1,600,660
Operating Expenses	<u>8,750,497</u>	<u>8,242,654</u>	<u>507,843</u>	<u>7,988,621</u>
Operating income (loss)	378,075	1,099	(376,976)	929,628
Non-Operating Revenues (Expenses):				
Interest revenue	10,000	182,081	172,081	111,453
Unrealized gains (losses)	10,000	90,005	80,005	101,705
Grants and contributions	-	-	-	810,000
Sale of fixed assets	-	-	-	(2,835)
Total Non-Operating Revenues (Expenses)	<u>20,000</u>	<u>272,086</u>	<u>252,086</u>	<u>1,020,323</u>
Change in Net Position - Budgetary Basis	<u>398,075</u>	<u>273,185</u>	<u>(124,890)</u>	<u>1,949,951</u>
Reconciliation to GAAP Basis:				
Adjustments:				
Depreciation		(266,599)		(199,060)
Capital outlay		1,210,300		1,600,660
Total Adjustments		<u>943,701</u>		<u>1,401,600</u>
Total Net Position - Beginning (as restated)		<u>13,013,535</u>		<u>9,685,270</u>
Total Net Position - Ending		<u>14,230,421</u>		<u>13,036,821</u>

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

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Water Department
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	<u>2024</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2023</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenue:				
Sales	2,068,476	1,978,865	(89,611)	1,739,700
Other revenue	151,000	79,260	(71,740)	8,936
Operating Revenue	<u>2,219,476</u>	<u>2,058,125</u>	<u>(161,351)</u>	<u>1,748,636</u>
Operating Expenses:				
Salaries and employee benefits	608,299	402,809	205,490	404,875
Purchased services	530,840	478,516	52,324	565,250
Operations and maintenance	523,317	300,363	222,954	260,370
Supplies	3,845,254	128,874	3,716,380	82,963
Capital outlay	-	1,384,361	(1,384,361)	536,967
Operating Expenses	<u>5,507,710</u>	<u>2,694,923</u>	<u>2,812,787</u>	<u>1,850,425</u>
Operating income (loss)	<u>(3,288,234)</u>	<u>(636,798)</u>	<u>2,651,436</u>	<u>(101,789)</u>
Non-Operating Revenues (Expenses):				
Interest revenue	250	26,718	26,468	12,004
Proceeds from debt issuance	2,550,200	2,550,000	(200)	-
Debt service - principal	-	(79,636)	(79,636)	(11,390)
Interest expense	-	(41,405)	(41,405)	(1,018)
Unrealized gains (losses)	500	13,684	13,184	12,067
Grants and contributions	65,000	291,780	226,780	280,070
Sale of fixed assets	-	-	-	3,833
Total Non-Operating Revenues (Expenses)	<u>2,615,950</u>	<u>2,761,141</u>	<u>145,191</u>	<u>295,566</u>
Income (Loss) Before Contributions and Transfers	<u>(672,284)</u>	<u>2,124,343</u>	<u>2,796,627</u>	<u>193,777</u>
Transfers in	-	187,345	187,345	-
Change in Net Position - Budgetary Basis	<u>(672,284)</u>	<u>2,311,688</u>	<u>2,983,972</u>	<u>193,777</u>
Reconciliation to GAAP Basis:				
Adjustments:				
Depreciation		(114,569)		(109,184)
Capital outlay		1,384,361		536,967
Debt issuance		(2,550,000)		-
Debt service - Principal		79,636		11,390
Total Adjustments		<u>(1,200,572)</u>		<u>439,173</u>
Total Net Position - Beginning (as restated)		<u>2,806,970</u>		<u>2,188,629</u>
Total Net Position - Ending		<u>3,918,086</u>		<u>2,821,579</u>

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

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Sewer Department
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	<u>2024</u>		<u>Final Budget Variance Positive (Negative)</u>	<u>2023</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenue:				
Sales	2,919,100	3,372,260	453,160	3,210,994
Other revenue	200	248,401	248,201	4,614
Operating Revenue	<u>2,919,300</u>	<u>3,620,661</u>	<u>701,361</u>	<u>3,215,608</u>
Operating Expenses:				
Salaries and employee benefits	811,213	746,911	64,302	808,939
Purchased services	2,559,915	876,867	1,683,048	806,749
Operations and maintenance	503,182	456,092	47,090	502,979
Supplies	415,254	111,864	303,390	102,895
Capital outlay	-	1,274,113	(1,274,113)	49,932
Operating Expenses	<u>4,289,564</u>	<u>3,465,847</u>	<u>823,717</u>	<u>2,271,494</u>
Operating income (loss)	<u>(1,370,264)</u>	<u>154,814</u>	<u>1,525,078</u>	<u>944,114</u>
Non-Operating Revenues (Expenses):				
Interest revenue	500	48,689	48,189	28,645
Debt service - principal	(580,843)	(599,023)	(18,180)	(586,146)
Interest expense	(82,079)	(79,814)	2,265	(167,889)
Unrealized gains (losses)	250	23,018	22,768	31,652
Grants and contributions	1,670,703	1,617,687	(53,016)	412,340
Sale of capital assets	-	8,350	8,350	28,401
Total Non-Operating Revenues (Expenses)	<u>1,008,531</u>	<u>1,018,907</u>	<u>10,376</u>	<u>(252,997)</u>
Income (Loss) Before Contributions and Transfers	<u>(361,733)</u>	<u>1,173,721</u>	<u>1,535,454</u>	<u>691,117</u>
Transfers (out)	(15,000)	-	15,000	-
Change in Net Position - Budgetary Basis	<u>(376,733)</u>	<u>1,173,721</u>	<u>1,550,454</u>	<u>691,117</u>
Reconciliation to GAAP Basis:				
Adjustments:				
Capital outlay		1,274,113		49,932
Gain (loss) on disposal of assets		-		(58,294)
Debt service - Principal		599,023		586,146
Depreciation and amortization		(852,248)		(851,636)
Total Adjustments		<u>1,020,888</u>		<u>(273,852)</u>
Total Net Position - Beginning (as restated)		<u>6,678,362</u>		<u>6,280,552</u>
Total Net Position - Ending		<u>8,872,971</u>		<u>6,697,817</u>

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

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Refuse Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	<u>2024</u>		Final Budget Variance Positive (Negative)	<u>2023</u>
	Original and Final Budget	Actual		Actual
Operating Revenue:				
Sales	1,083,260	1,121,011	37,751	977,918
Other revenue	69,025	58,709	(10,316)	1,411
Operating Revenue	<u>1,152,285</u>	<u>1,179,720</u>	<u>27,435</u>	<u>979,329</u>
Operating Expenses:				
Salaries and employee benefits	313,140	335,510	(22,370)	315,517
Purchased services	265,810	248,914	16,896	231,574
Operations and maintenance	316,670	275,419	41,251	231,493
Supplies	61,400	43,334	18,066	62,486
Capital outlay	-	-	-	717,299
Operating Expenses	<u>957,020</u>	<u>903,177</u>	<u>53,843</u>	<u>1,558,369</u>
Operating income (loss)	195,265	276,543	81,278	(579,040)
Non-Operating Revenues (Expenses):				
Interest revenue	1,000	9,118	8,118	6,079
Interest expense	-	(14,734)	(14,734)	(9,126)
Unrealized gains (losses)	200	4,939	4,739	3,509
Grants and contributions	-	-	-	4,634
Sale of capital assets	-	-	-	66,390
Total Non-Operating Revenues (Expenses)	<u>1,200</u>	<u>(677)</u>	<u>(1,877)</u>	<u>71,486</u>
Change in Net Position - Budgetary Basis	<u>196,465</u>	<u>275,866</u>	<u>79,401</u>	<u>(507,554)</u>
Reconciliation to GAAP Basis:				
Adjustments:				
Capital outlay		-		717,299
Depreciation		(115,731)		(62,143)
Total Adjustments		<u>(115,731)</u>		<u>655,156</u>
Total Net Position - Beginning (as restated)		<u>1,128,635</u>		<u>984,354</u>
Total Net Position - Ending		<u>1,288,770</u>		<u>1,131,956</u>

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

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Internal Service
Fleet Management Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	2024		2023	
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenue:				
Charges for services	666,487	823,355	156,868	779,508
Other revenue	200	124	(76)	2,568
Operating Revenue	<u>666,687</u>	<u>823,479</u>	<u>156,792</u>	<u>782,076</u>
Operating Expenses:				
Fleet expenses	1,269,144	842,098	427,046	772,603
Capital outlay	-	95,185	(95,185)	522,270
Operating Expenses	<u>1,269,144</u>	<u>937,283</u>	<u>331,861</u>	<u>1,294,873</u>
Operating income (loss)	(602,457)	(113,804)	488,653	(512,797)
Non-Operating Revenues (Expenses):				
Interest revenue	8,000	27,353	19,353	16,019
Unrealized gains (losses)	2,000	13,520	11,520	14,109
Sale of capital assets	-	495	495	97,428
Total Non-Operating Revenues (Expenses)	<u>10,000</u>	<u>41,368</u>	<u>31,368</u>	<u>127,556</u>
Income (Loss) Before Contributions and Transfers	(592,457)	(72,436)	520,021	(385,241)
Transfers in	600,000	600,000	-	833,480
Change in Net Position - Budgetary Basis	<u>7,543</u>	<u>527,564</u>	<u>520,021</u>	<u>448,239</u>
Reconciliation to GAAP Basis:				
Adjustments:				
Depreciation		(326,761)		(289,693)
Capital outlay		95,185		522,270
Total Adjustments		<u>(231,576)</u>		<u>232,577</u>
Total Net Position - Beginning (as restated)		<u>3,866,187</u>		<u>3,194,584</u>
Total Net Position - Ending		<u>4,162,175</u>		<u>3,875,400</u>

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

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Internal Service
Facilities Maintenance Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	2024		2023	
	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)	Actual
Operating Revenue:				
Charges for services	488,031	491,204	3,173	-
Operating Revenue	<u>488,031</u>	<u>491,204</u>	<u>3,173</u>	<u>-</u>
Operating Expenses:				
Fleet expenses	527,162	442,236	84,926	-
Capital outlay	-	23,319	(23,319)	-
Operating Expenses	<u>527,162</u>	<u>465,555</u>	<u>61,607</u>	<u>-</u>
Operating income (loss)	(39,131)	25,649	64,780	-
Non-Operating Revenues (Expenses):				
Interest revenue	250	4,706	4,456	-
Unrealized gains (losses)	150	2,704	2,554	-
Total Non-Operating Revenues (Expenses)	<u>400</u>	<u>7,410</u>	<u>7,010</u>	<u>-</u>
Income (Loss) Before Contributions and Transfers	(38,731)	33,059	71,790	-
Transfers in	258,438	258,438	-	-
Change in Net Position - Budgetary Basis	<u>219,707</u>	<u>291,497</u>	<u>71,790</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments:				
Depreciation		(306)		-
Capital outlay		23,319		-
Total Adjustments		<u>23,013</u>		<u>-</u>
Total Net Position - Beginning		-		-
Total Net Position - Ending		<u>314,510</u>		<u>-</u>

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

City of Gunnison
Statement of Changes in Fiduciary Net Position
Budget and Actual
Volunteer Firefighters' Pension Fund
For the Year Ended December 31, 2024
(With Comparative Actual Amounts For the Year Ended 2023)

	<u>2024</u>		<u>Final Budget</u>	<u>2023</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Additions				
Contributions	135,682	143,682	8,000	135,682
Earnings on investments	206,000	192,376	(13,624)	276,466
Total Additions	<u>341,682</u>	<u>336,058</u>	<u>(5,624)</u>	<u>412,148</u>
Deductions				
Benefits	287,400	287,675	(275)	255,750
Expenses	13,500	17,575	(4,075)	16,913
Total Deductions	<u>300,900</u>	<u>305,250</u>	<u>(4,350)</u>	<u>272,663</u>
Change in Net Position - Budgetary Basis	<u>40,782</u>	30,808	<u>(1,274)</u>	139,485
Total Net Position - Beginning		<u>2,231,120</u>		<u>2,091,635</u>
Total Net Position - Ending		<u>2,261,928</u>		<u>2,231,120</u>

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

LOCAL HIGHWAY FINANCE REPORT

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Gunnison
		YEAR ENDING : December 2024
This Information From The Records Of City of Gunnison	Prepared By: Phone:	Ben Cowan 970-641-8162

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	3,485,590.52
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	728,126.17
		S&A Mtnc (30-30-	992,831.65
		Less Cost Allocati	179,619.96
		Less OT (4020)	28,781.00
		Less Cont Svc-Snc	56,304.52
		(30-30-3301-7050)	
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0.00
2. General fund appropriations	99,687.50	b. Snow and ice removal	85,085.52
(calculate so that cell E67 = 0)		OT (4020)	28,781.00
		Cont Svc.-Snow (7050)	56,304.52
3. Other local imposts (from page 2)	3,382,301.05	c. Other	0.00
4. Miscellaneous local receipts (from page 2)	208,803.28	d. Total (a. through c.)	85,085.52
5. Transfers from toll facilities	0.00	4. General administration & miscellaneous	479,804.58
		PW Admin (10-30-3100)	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	700,229.04
a. Bonds - Original Issues	0.00	Police (10 20 2000) * 20% Per Chief	
b. Bonds - Refunding Issues	0.00	6. Total (1 through 5)	5,478,835.83
c. Notes	0.00	B. Debt service on local obligations:	
d. Total (a. + b. + c.)	0.00	1. Bonds:	
7. Total (1 through 6)	3,690,791.83	a. Interest	0.00
B. Private Contributions	0.00	b. Redemption	0.00
C. Receipts from State government		c. Total (a. + b.)	0.00
(from page 2)	3,225,952.53	2. Notes:	
D. Receipts from Federal Government		a. Interest	0.00
(from page 2)	0.00	b. Redemption	0.00
E. Total receipts (A.7 + B + C + D)	6,916,744.36	c. Total (a. + b.)	0.00
		3. Total (1.c + 2.c)	0.00
		C. Payments to State for highways	0.00
		D. Payments to toll facilities	0.00
		E. Total disbursements (A.6 + B.3 + C + D)	5,478,835.83

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursement	D. Ending Balance	E. Reconciliation
	0.00	6,916,744.36	5,478,835.83	1,437,908.53	0.00

Notes and Comments:

FORM FHWA-536 (Rev.1-05)

PREVIOUS EDITIONS OBSOLETE

(Next Page)

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2024

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments	0.00	a. Interest on investments	131,848.37
b. Other local imposts:		b. Traffic Fines (30-30-0000-3	29,245.00
1. Sales Taxes (30%)	3,351,408.65	c. Parking Garage Fees	0.00
City Sales Tax (30-30-0000- 3,173,127.15			
Use Tax (30-30-0000-3001) 178,281.50			
2. Infrastructure & Impact Fees (ROW 30-30-000	5,652.50	d. Parking Meter Fees	0.00
3. Liens	0.00	e. Sale of Surplus Property (30-	0.00
4. Licenses	0.00	f. Charges for Services	0.00
5. Specific Ownership &/or Other (30-30-0000-30	25,239.90	g. Other Misc. Receipts	48,939.67
6. Total (1. through 5.)	3,382,301.05	h. Other (30 3899, 3870)	(1,229.76)
c. Total (a. + b.)	3,382,301.05	i. Total (a. through h.)	208,803.28
	(Carry forward to page 1)		(Carry forward to page 1)

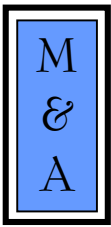
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Governm	
1. Highway-user taxes (30-30-0000-3206)	228,611.75	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0.00
a. State bond proceeds		b. FEMA	0.00
b. Project Match		c. HUD	0.00
c. Motor Vehicle Registration (30-30-0000-3060	21,723.79	d. Federal Transit Admin	0.00
d. Other (Specify)	2,933,579.70	e. U.S. Corps of Engineers	0.00
e. Other (Highway Maint Agr 30-30-0000-3234)	42,037.29	f. Other Federal	0.00
f. Total (a. through e.)	2,997,340.78	g. Total (a. through f.)	0.00
4. Total (1. + 2. + 3.f)	3,225,952.53	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0.00		0.00
b. Engineering Costs	0.00	0.00	0.00
c. Construction:			
(1). New Facilities			
(2). Capacity Improvements	0.00	2,706,504.21	2,706,504.21
(3). System Preservation	0.00	601,084.56	601,084.56
Material Crushing 30-30-3302-7951	57,500.00	0.00	
Gravel/Asphalt/Patching 30-30-3302-52	21,971.91	0.00	
Concrete 30-30-3302-8401/8402		0.00	
Slurry Seal 30-30-3302-7952	386,421.88	0.00	
Crack Seal 30-30-3302-7953	13,140.00	0.00	
IMS 30-30-3302-7090	9,873.75	0.00	
Equipment 30-30-3302-8310	0.00	0.00	
Other Improvements 30-30-3302-8200	112,177.02	0.00	
Street Impvmt/Overlay 30-30-3302-840	0.00	0.00	
(4). System Enhancement & Operation	0.00	178,001.75	178,001.75
Tree Program 30-30-3302-7954	0.00	0.00	
Tree Chipping 30-30-3302-7950	0.00	0.00	
Traffic Control and Safety 30-30-3302-5	18,882.99	0.00	
Pedestrian Safety Improvements 30-30-3	4,260.17	0.00	
Paint Striping 30-30-3302-6440	154,858.59	0.00	
(4). Total Construction (1)+(2)+(3)	0.00	3,485,590.52	3,485,590.52
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	0.00	3,485,590.52	3,485,590.52
			(Carry forward to page 1)

Notes and Comments:

STATUTORY INFORMATION



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

WEB SITE: www.McMAHANCPA.COM

MAIN OFFICE: (970) 845-8800

INDEPENDENT AUDITOR'S REPORT 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

**To the Members of City Council
City of Gunnison**

We have audited, in accordance with 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gunnison (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 July 30, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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 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. 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.

Member: American Institute of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT
To the Members of City Council
City of Gunnison**

Compliance and Other Matters

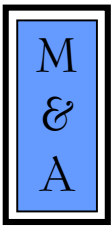
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.
Avon, Colorado
July 30, 2025**



McMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

WEB SITE: www.McMAHANCPA.COM

MAIN OFFICE: (970) 845-8800

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Members of City Council
City of Gunnison**

Opinion on Each Major Federal Program

We have audited the compliance of the City of Gunnison (the "City") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of 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 Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its 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 ("U.S. GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 other 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.

Member: American Institute of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT
To the Members of City Council
City of Gunnison**

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 U.S. 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 each major federal program as a whole.

In performing an audit in accordance with U.S. 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.

Report on Internal Control Over Compliance

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 or 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 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.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

INDEPENDENT AUDITOR'S REPORT
To the Members of City Council
City of Gunnison

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.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
July 30, 2025

Part I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor’s report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
Major programs:	
Coronavirus State and Local Fiscal Recovery Funds	ALN 21.027
Dollar threshold used to identify Type A from Type B programs:	\$750,000
Identified as low-risk auditee	No

Part II – Findings Related to Financial Statements

Findings related to financial statements as required by <i>Government Auditing Standards</i>	No
Auditor-assigned reference number	Not applicable

Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

City of Gunnison
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2024

There were no findings for the year ended December 31, 2023.

City of Gunnison
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

<u>Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Local Grant Project Number</u>	<u>Expenditures</u>
Department of Treasury			
Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 1,213,553
Passed through the Colorado Department of Local Affairs:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	176943.000	<u>1,824,918</u>
Total Department of Treasury			<u>3,038,471</u>
Department of Health and Human Services			
Passed through the Colorado Department of Early Childhood (CDEC):			
Energy & Mineral Impact Assistance Program (EIAF)	93.575		<u>7,023</u>
Total Department of Health and Human Services			<u>7,023</u>
Department of Justice			
Passed through the Colorado Department of Criminal Justice:			
Crime Victim Assistance	16.575	2020-VA-23-129-07	<u>34,904</u>
Total Department of Justice			<u>34,904</u>
Total			<u>\$ 3,080,398</u>

Notes to the Schedule of Expenditures of Federal Awards for the year ended December 31, 2024

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of The City and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements on of Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the general purpose financial statements.

Note 2. Determining the Value of Non-cash Awards Expended:

Fair market value of assistance at the time of disbursement to the recipient, or the assessed value provided by the state or federal agency.

Note 3. Sub-recipients:

The City provided no funds to sub-recipients.

Note 4. Indirect Facilities and Administration costs:

The City does not use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, indirect (F & A) costs.