

City of Manitou Springs, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2024



City of Manitou Springs, Colorado

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**HINKLE &
COMPANY**
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Business Advisors

Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Manitou Springs, Colorado
Manitou Springs, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Manitou Springs, Colorado (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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.

Responsibilities of Management for the Financial Statements

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

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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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 supplementary information, 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 and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hick & Company, PC

Englewood, Colorado
January 28, 2026

City of Manitou Springs, Colorado
Management's Discussion and Analysis
December 31, 2024

As management of the City of Manitou Springs, Colorado (the "City"), we offer readers of the City's Basic Financial Statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information furnished in our basic financial statements.

Introduction

The City of Manitou Springs, Colorado is a Home Rule City that was incorporated in 1876. The government structure is City Council/Mayor with the seven elected officials being responsible for all policy decisions that affect the City's financial condition. The appointed City Administrator is responsible for preparing the annual budget, which is adopted and generally amended by the City Council as needed with a final amendment by December 15th. The City Administrator is responsible for financial reporting to the City Council and the public at large.

Financial Information

The City's government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. The City's financial statements for governmental funds have been prepared using the modified accrual basis of accounting. The City's annual audit is performed by an accounting firm (Hinkle & Company, PC, Certified Public Accountants) with the contents of the audit meeting the requirements set forth by the Colorado State Auditor's Office. The financial system of the City incorporates financial and administrative controls that ensure the safeguarding of assets and the reliability of financial reports. To ensure budgeting controls, the City Council approves all changes at the fund level by passage of an Ordinance amending the budget.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$69,191,275 (net position) for the primary reporting entity. Of this amount \$23,440,050 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$8,821,735 during the fiscal year.
- As of the close of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of \$15,858,206.
- The *governmental funds* reported total unrestricted/unassigned fund balances of \$8,507,236.

City of Manitou Springs, Colorado
Management's Discussion and Analysis
December 31, 2024

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- The combined governmental funds remained in a positive financial condition. Based on current year expenditures, excluding the transfers out for debt service payments and capital expenditures made by other funds, the General Fund fund balance would allow the City to cover its governmental operating costs for 262 days, or a little over 8 months.
 - The City's total debt, including accrued compensated absences, increased by \$3,531,300 during the current fiscal year. Existing debt was reduced by principal payments (not including compensated absences) totaling \$924,344.
 - General Fund sales/use tax revenue in 2024, \$9,302,718, decreased by 4.50% or \$437,958, from 2023 sales/use tax revenue of \$9,740,676.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the 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 (e.g., uncollected taxes and earned but unused vacation leave).

City of Manitou Springs, Colorado
Management's Discussion and Analysis
December 31, 2024

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include the following governmental funds: General Fund, Conservation Trust Fund, Rural Transportation Authority Fund, Law Enforcement Fund, El Paso/Beckers Park Fund, Open Space Fund, Downtown Improvement Fund, Capital Improvements Fund and the MACH Fund. The business-related activities of the City include Water, Sewer, Storm Drainage utilities and the Mobility & Parking Enterprise Fund which is supported by parking revenues. In addition to the governmental and business-related activities, which are the primary government, the financial statements include the discrete presentation of a component unit of the City. The Manitou Springs Urban Renewal Authority, "URA", was created to reduce, eliminate, and prevent the spread of blight and to stimulate growth and investment within the area to the east of Highway 24.

It is fiscally dependent upon the City due to its revenues being provided by tax-increment financing through property and sales taxes. The URA receives a property tax increment, and on a yearly basis, City Council may allocate municipal sales tax increments to the URA when it submits a financing plan to council. Tax-increment financing is also considered evidence of financial burden (commitment of the primary government's taxing power).

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 states and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, 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 inflow 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 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 governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

City of Manitou Springs, Colorado
Management's Discussion and Analysis
December 31, 2024

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvements Fund, and the nonmajor funds. Individual fund data for nonmajor governmental funds is provided in the form of *combining statements* elsewhere in the report.

Proprietary funds. The City maintains one type of proprietary fund. *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 water, sewer, storm drainage and mobility/parking activities. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefits 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 City used a fiduciary fund to account for the Manitou Springs Metropolitan District in 2024.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City.

Combining individual fund financial statements and schedules are presented immediately following the required supplementary information for additional financial analysis.

Government-wide Financial Analysis

- As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$69,191,275 at the close of the fiscal year.
- The City's net investment in capital assets is \$43,647,819. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- The balance of *unrestricted net position* \$23,440,050 may be used to meet the government's ongoing obligations to citizens and creditors.
- 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.

City of Manitou Springs, Colorado
Management's Discussion and Analysis
December 31, 2024

City of Manitou Springs Net Position

Governmental activities: Governmental activities increased the City's net position by \$6,395,599. In 2024, sales tax/use revenues, \$9,911,237 comprised approximately 63% of all governmental activities' revenues and transfers. This is a decrease in percentage of 5% from 2023, which was 68% of all governmental revenues and transfers. While this decrease is partially due to decreased sales tax, it is also due to increased investment revenue from a higher interest rate and increased property tax revenues from increased property values.

Business-Type activities: Business-type activities increased the City's net position by \$2,426,136. The Water Fund had an increase in net position of \$2,538,485. The Sewer Fund had an increase of \$304,929. The Storm Drainage fund had a decrease of \$143,831, and the Mobility & Parking Enterprise's decrease was \$273,447. The Water and Sewer Funds are increasing charges for services every year due to a Water/Sewer Rate study performed in 2024, approved by Ordinance 2624. This ensures positive net positions. Storm Drainage's decrease is due to operation costs being higher than revenues. A 2023 Rate Study is now being utilized to increase rates on an annual basis. An assigned fund was moved from the Mobility & Parking Fund to the General Fund which explains the decrease in its net position.

	Governmental Activities		Business-Type Activities		Totals	
	2023	2024	2023	2024	2023	2024
Current and other assets	\$18,514,701	\$18,760,577	\$8,883,501	\$13,187,837	\$27,398,202	\$31,948,414
Non-current assets	24,135,297	29,897,736	20,565,189	21,870,579	44,700,486	51,768,315
Total assets	42,649,998	48,658,313	29,448,690	35,058,416	72,098,688	83,716,729
Deferred Outflows of Resources	3,114,852	2,254,018	555,889	355,163	3,670,741	2,609,181
Total current liabilities	1,497,392	1,554,398	1,535,440	1,278,415	3,032,832	2,832,813
Total non-current liabilities	6,324,214	4,785,493	4,707,757	7,949,082	11,031,971	12,734,575
Total Liabilities	7,821,606	6,339,891	6,243,197	9,227,497	14,064,803	15,567,388
Deferred Inflows of Resources	1,317,629	1,551,226	17,457	16,021	1,335,086	1,567,247
Net Position:						
Net Investment in Capital Assets	22,765,992	28,867,078	16,992,655	14,780,741	39,758,647	43,647,819
Restricted	2,048,465	2,103,406	-	-	2,048,465	2,103,406
Unrestricted	11,811,158	12,050,730	6,751,270	11,389,320	18,562,428	23,440,050
Total net position	\$36,625,615	\$43,021,214	\$23,743,925	\$26,170,061	\$60,369,540	\$69,191,275

City of Manitou Springs, Colorado
Management's Discussion and Analysis
December 31, 2024

Changes in Net Position

Revenues:	Governmental Activities		Business-Type Activities		Total	
	2023	2024	2023	2024	2023	2024
Program Revenues:						
Charges for Services	\$577,055	\$1,167,253	\$6,835,014	\$7,137,326	\$7,412,069	\$8,304,579
Operating Grants and Contributions	3,947,160	4,050,621	887,267	2,372,779	4,834,427	6,423,400
Capital Grants and Contributions	-	-	86,968	49,592	86,968	49,592
General Revenues						
Taxes	14,046,009	13,701,439	-	-	14,046,009	13,701,439
Investment Income	669,382	766,037	332,641	269,206	1,002,023	1,035,243
Other	241,271	119,805	137,642	122,347	378,913	242,152
Total General & Program Revenues	19,480,877	19,805,155	8,279,532	9,951,250	27,760,409	29,756,405
Transfers	320,845	1,088,034	(320,845)	(1,088,034)	-	-
Total Revenues	19,801,722	20,893,189	7,958,687	8,863,216	27,760,409	29,756,405
Expenses:						
General Government	5,436,328	4,721,791	-	-	5,436,328	4,721,791
Public Safety	3,960,637	4,127,958	-	-	3,960,637	4,127,958
Public Works	1,543,461	1,603,044	-	-	1,543,461	1,603,044
Parks & Recreation	2,455,918	2,906,114	-	-	2,455,918	2,906,144
Capital Outlay	1,299,877	1,091,378	-	-	1,299,877	1,091,378
Interest on Long term Debt	(75,731)	47,905	-	-	(75,731)	47,905
Business-type Activities	-	-	6,129,327	6,437,080	6,129,327	6,437,080
Total Expenses	14,620,490	14,497,590	6,129,327	6,437,080	20,749,817	20,934,670
Increase (Decrease) in Net Position	5,181,232	6,395,599	1,829,360	2,426,136	7,010,592	8,821,735
Beginning Net Position	31,444,383	36,625,615	21,914,565	23,743,925	53,358,948	60,369,540
Ending Net Position	\$36,625,615	\$43,021,214	\$23,743,925	\$26,170,061	\$60,369,540	\$69,191,275

The City's total net position increased by \$8,821,735 during the current fiscal year.

City of Manitou Springs, Colorado
Management's Discussion and Analysis
December 31, 2024

Financial Analysis of the City's Funds

Governmental funds

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$15,858,206. Of this total amount, 53.6% or \$8,507,236 constitutes *unrestricted/unassigned fund balance*. The remainder of the fund balance is *restricted, committed or assigned* to indicate that it is not available for new spending.

General Fund total revenues exceeded expenditures by \$3,263,078 (not including transfers). Transfers out from the fund totaled \$2,635,767. The net fund balance increased by \$1,746,311. The General Fund finished 2024 with an ending fund balance of \$9,059,871. This includes restricted, committed, and assigned as well as unassigned fund balances. Sales tax decreased by \$451,711 from 2023. This is attributed to a decrease in retail marijuana sales. This is occurring statewide and began in 2023 and continued into 2024.

The Capital Improvements Fund's largest project in 2024 was the Carnegie Library remodel at a cost of \$4,131,864 which is now nearly complete. This project was funded through a combination of MACH Fund grants, previous allocations, the Timothy Jayne bequest, several grants including the El Pomar Foundation, a Community Development Block Grant (CDBG), and a Colorado State Historic Foundation Grant, advanced rental payments from the Pikes Peak Library District and multiple donations.

Other projects included:

- \$817,928 police station remodel which was funded by a Colorado Department of Local Affairs (DOLA) grant with \$350,000 grant match from the City,
- \$575,883 pool improvements (start of locker rooms remodel & roof repair design),
- \$266,802 design for the Ruxton Corridor which is a multi-year improvement project being funded by a Pikes Peak Area Council of governments (PPCOG) grant through the Colorado Department of Transportation (CDPT) and transfers from the Assigned Barr Trail Parking lot fund,
- \$258,410 design work for Soda Springs Park Phase 2,
- \$120,817 Thirteen Self-contained breathing apparatus (SCBA) for Fire dept,
- \$81,462 work on Creek Walk Trail phase 4
- \$63,103 completion of Public Works Bay exhaust remodel,
- \$52,706 design work on Hiawatha Gardens,
- \$45,302 Creekwalk Serpentine funded through a CDOT grant and City match,
- \$44,796 the beginning of a replacement of downtown street signs project,
- \$38,712 tables & chairs and the addition of a storage room in Memorial Hall in City Hall,
- \$10,653 furnace for the Fire station
- \$6,063 for Cemetery software that was funded by a previous year's Lease Purchase,

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A transfer from the General Fund funded the following equipment purchases:

- \$88,463 Public Services tool cat
- \$73,570 Police patrol vehicle,
- \$72,021 computer equipment,
- \$64,538 Public Services skid loader,
- \$49,996 Public Services facilities F150 truck,
- \$32,500 Public Services portable building for sign shop,
- \$25,871 Police camera system,
- \$15,447 Public Services yard ramp,
- \$6,850 Public Services scissor lift,
- \$5,895 Public Services pressure washer,
- \$5,216 Public Services nursery jaws for tool cat,

East End generated sales tax which was provided in previous years by the URA forgoing its sales tax TIF and which was dedicated to capital improvements funded the following:

- \$66,057 street improvements (design, chip seal, striping, shuttle benches),
- \$54,470 ADA improvements – Fields and Schriver Park restroom remodel completions
- \$25,494 Police fingerprint machine

Enterprise Funds

The Storm Drainage Fund's regular operations was funded through a \$19 fee, which is applied to all utility bills. The fund had an overall decrease in net position of \$143,831. This is due to depreciation in the amount of \$461,254. A Rate Study was performed in 2023 which is providing a series of annual increases to ensure the fund stays solvent.

The Water Fund serves approximately 2,200 users with a distribution system including a reservoir, freshwater treatment plant and two storage tanks. The distribution system delivered an average of 457,983 gallons of fresh water per day in 2024. The Fund had an overall gain in net position of \$2,538,485. This increase is mainly due to loan forgiveness for a Colorado Water Resources & Power Development Authority (CWRPDA) 2024 loan for \$1,142,509 and the recognition of the American Rescue Plan Act (ARPA) grant funding revenue of \$1,072,803 and receipt of a Colorado Department of Local Affairs (DOLA) Energy/Mineral Impact Assistance Fund grant for \$120,740. The city completed a Rate Study in 2024 which was implemented. Rates continue to increase to cover the increased costs of repairing and replacing aging infrastructure. Due to being landlocked the Water Fund cannot depend on tap fees for these capital costs. An average of two taps is sold on an annual basis.

City of Manitou Springs, Colorado
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December 31, 2024

The Sewer Enterprise Fund serves the same approximate 2,200 utility users as the water distribution system. The City of Manitou Springs does not have sewage treatment capability and relies on the neighboring city of Colorado Springs for wastewater treatment at their facility. Sewer rates for residential users are determined by water usage per customer during the months of January and February of each year. For commercial users the rate is determined by the monthly water usage. The Sewer Fund had an overall increase of \$304,929.

The Mobility and Parking Fund was formed in 2022. Its purpose is to utilize parking fees to improve the City's mobility and help improve its parking issues. In 2024, the Dillon Motel property at 132-134 Manitou Ave, was purchased, for \$400,735, and the lot (previously a car wash) at 142 Manitou Ave for \$641,691, to be renovated into a parking office and a mobility hub. In addition to the property purchases, a utility vehicle (\$26,696), five parking kiosks (\$46,457) and a Dome camera for the City Hall parking lot (\$28,273) were purchased. The Mobility and Parking Fund had an overall decrease of \$273,447. This is due to the transfer of the Assigned Barr Trail Parking Lot fund balance (\$758,199) and its revenues and expenditures to the General Fund.

General Fund Budgetary Highlights

As a matter of policy, the City amends its budget twice during each year: once at mid-year and again a final amendment at the end of its fiscal year in December. The City believes that this amendment practice gives the City tight control over expenditures related to revenue performance in a timelier manner.

Actual General Fund revenues were greater than the amended budget by \$121,292. This is attributed to conservative budgeting. Actual General Fund expenditures were less than the amended budgeted amount by \$1,872,045. This is attributed to conservative budgeting, salary savings and department heads maintaining type control of expenditures.

Capital Assets and Debt Administration

Capital assets. The City's capital assets for its governmental and business-type activities as of December 31, 2024, were \$51,768,315 (net of accumulated depreciation). Capital assets include land, buildings, improvements, infrastructure, machinery, equipment, and vehicles. Major additions to capital assets in 2024 included the near completion of the Carnegie Library, the police station remodel, street improvements, restroom remodels, Public Services & Police equipment and two vehicles.

City of Manitou Springs, Colorado
Management's Discussion and Analysis
December 31, 2024

Capital assets at the end of the current fiscal year included the following:

CAPITAL ASSETS

	Governmental Activities	Business-Type Activities	Total
Land and Land Improvements	\$ 11,966,454	\$ 1,775,051	\$13,741,505
Construction in Progress	6,440,431	2,319,751	8,760,182
Buildings	4,460,026	325,238	4,785,264
Equipment and Vehicles	6,845,772	-	6,845,772
Collection and Distribution Improvements	-	32,150,665	32,150,665
Machinery and Equipment	-	6,094,084	6,094,084
Infrastructure	18,031,680	-	18,031,680
Total	47,744,363	42,664,789	90,409,152
Accumulated Depreciation	(17,846,627)	(20,794,210)	(38,640,837)
Net Capital Assets	\$ 29,897,736	\$ 21,870,579	\$ 51,768,315

Additional information on the City's capital assets can be found in Note 3.

Long-term debt. At the end of the current fiscal year, the City had total long-term debt outstanding of \$8,120,496 (net of compensated absences). Of this amount, \$853,436 is from ARRA non-interest-bearing loans from 2009. For 2020, the City acquired two Environmental Protection Agency (EPA) 2.5% interest bearing loans currently totaling \$1,165,911. \$298,019 is a state loan for a small hydropower plant. And in 2024, two additional EPA 3.25% interest bearing loans totaling \$3,469,474 were added. All are administered through the Colorado Water Resource & Power Development Authority (CWRPDA), for water/sewer improvements.

In addition to the loans, the City has \$2,328,051 in lease purchases for various equipment and vehicles obtained in previous years, from 2016 through 2025. \$883,660 total debt (net of compensated absences) will be due in 2025.

Additional information on the City's long-term debt can be found in Note 4.

Economic Factors and Next Year's Budget

As a tourism-based economy, general sales tax collection has been considered a leading barometer of economic activity within the City of Manitou Springs. The City of Manitou Springs is not a self-collecting entity but relies upon the Colorado Department of Revenue for the collection of the City's sales taxes. This reliance results in a two-month lag between a taxable sale and the remittance of the corresponding sales tax to the City. Additionally, the City's prime industry is tourism with seasonal characteristics.

Taxable sales in 2024 increased in comparison to those in 2023 by 4.3%. However, retail marijuana sales decreased and the special retail marijuana sales tax of 10% was also impacted negatively.

City of Manitou Springs, Colorado
Management's Discussion and Analysis
December 31, 2024

Since 2020, taxable sales have performed as follows.

FY2020	\$120,698,778
FY2021	\$159,512,039
FY2022	\$160,773,616
FY2023	\$157,991,621
FY2024	\$164,746,266

All the above facts were considered during the preparation of the City's budget for the 2025 fiscal year.

Requests 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 City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Office
City of Manitou Springs
606 Manitou Avenue
Manitou Springs, CO 80829

Basic Financial Statements

City of Manitou Springs, Colorado
Statement of Net Position
December 31, 2024

	Primary Government			Component Unit
	Governmental	Business-Type	Total	Manitou Springs Urban Renewal Authority
	Activities	Activities		
Assets				
Cash and Investments	\$ 14,311,122	\$ 7,308,800	\$ 21,619,922	\$ 814,440
Restricted Cash	322,503	5,074,749	5,397,252	-
Accounts Receivable	1,030,256	804,186	1,834,442	-
Property Taxes Receivable	1,347,973	-	1,347,973	178,133
Grants Receivable	218	102	320	-
Due from Other Governments	1,748,505	-	1,748,505	-
Capital Assets,				
Not being Depreciated	13,886,080	3,899,619	17,785,699	-
Net of Accumulated Depreciation	16,011,656	17,970,960	33,982,616	-
Total Assets	48,658,313	35,058,416	83,716,729	992,573
Deferred Outflows of Resources				
Pension Related Outflows of Resources	2,193,616	337,415	2,531,031	-
OPEB Related Outflows of Resources	60,402	17,748	78,150	-
Total Deferred Outflows of Resources	2,254,018	355,163	2,609,181	-
Liabilities				
Accounts Payable	1,194,047	1,188,277	2,382,324	3,882
Accrued Liabilities	360,351	39,894	400,245	-
Accrued Interest	-	50,244	50,244	-
Noncurrent Liabilities				
Due Within One Year	809,759	655,730	1,465,489	-
Due in More Than One Year	744,230	6,492,606	7,236,836	-
Net Pension Liability	3,035,960	743,290	3,779,250	-
Net OPEB Liability	195,544	57,456	253,000	-
Total Liabilities	6,339,891	9,227,497	15,567,388	3,882
Deferred Inflows of Resources				
Property Taxes	1,347,973	-	1,347,973	178,133
Pensions, Net of Accumulated Amortization	148,730	-	148,730	-
OPEB, Net of Accumulated Amortization	54,523	16,021	70,544	-
Total Deferred Inflows of Resources	1,551,226	16,021	1,567,247	178,133
Net Position				
Net Investment in Capital Assets	28,867,078	14,780,741	43,647,819	-
Restricted				
Capital Projects	322,503	-	322,503	-
Parks and Open Space	1,773,092	-	1,773,092	-
Law Enforcement	7,811	-	7,811	-
Unrestricted	12,050,730	11,389,320	23,440,050	810,558
Total Net Position	\$ 43,021,214	\$ 26,170,061	\$ 69,191,275	\$ 810,558

See Notes to the Financial Statements.

City of Manitou Springs, Colorado
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position			Manitou Springs Urban Renewal Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total	
Primary Government								
Governmental Activities								
General Government	\$ 4,721,191	\$ 160,280	\$ 10,863	\$ -	\$ (4,550,048)	\$ -	\$ (4,550,048)	\$ -
Public Safety	4,127,958	372,620	374,109	-	(3,381,229)	-	(3,381,229)	-
Public Works	1,603,044	57,500	531,851	-	(1,013,693)	-	(1,013,693)	-
Parks and Recreation	2,906,114	576,853	1,870,811	-	(458,450)	-	(458,450)	-
Capital Outlay	1,091,378	-	1,262,987	-	171,609	-	171,609	-
Interest on Long-Term Debt	47,905	-	-	-	(47,905)	-	(47,905)	-
Total Governmental Activities	14,497,590	1,167,253	4,050,621	-	(9,279,716)	-	(9,279,716)	-
Business-Type Activities								
Storm Drainage	737,431	494,775	-	-	-	(242,656)	(242,656)	-
Water	1,866,247	2,141,920	2,336,052	32,459	-	2,644,184	2,644,184	-
Sewer	1,295,310	1,447,539	36,727	17,133	-	206,089	206,089	-
Mobility and Parking	2,538,092	3,053,092	-	-	-	515,000	515,000	-
Total Business-Type Activities	6,437,080	7,137,326	2,372,779	49,592	-	3,122,617	3,122,617	-
Total Primary Government	\$ 20,934,670	\$ 8,304,579	\$ 6,423,400	\$ 49,592	(9,279,716)	3,122,617	(6,157,099)	-
Component Unit								
Manitou Urban Renewal Authority	\$ 205,009	\$ -	\$ -	\$ -	-	-	-	(205,009)
General Revenues								
Property Taxes					1,362,601	-	1,362,601	184,449
Sales and Use Taxes					9,911,237	-	9,911,237	-
Amusement and Lodging					1,599,986	-	1,599,986	-
Franchise Fees					426,154	-	426,154	-
Auto Taxes					401,461	-	401,461	-
Fines and Forfeitures					36,304	-	36,304	-
Miscellaneous					12,425	122,347	134,772	25,000
Investment Income					766,037	269,206	1,035,243	83
Gain on Sale of Assets					71,076	-	71,076	-
Transfers					1,088,034	(1,088,034)	-	-
Total General Revenues and Transfers					15,675,315	(696,481)	14,978,834	209,532
Change in Net Position					6,395,599	2,426,136	8,821,735	4,523
NET POSITION, Beginning of Year					36,625,615	23,743,925	60,369,540	806,035
NET POSITION, End of Year					\$ 43,021,214	\$ 26,170,061	\$ 69,191,275	\$ 810,558

See Notes to the Financial Statements.

City of Manitou Springs, Colorado
Balance Sheet
Governmental Funds
December 31, 2024

	General	Capital Improvements Fund	Other Governmental Funds	Total
Assets				
Cash and Investments	\$ 8,222,557	\$ 4,344,951	\$ 1,743,614	\$ 14,311,122
Restricted Cash and Investments	-	322,503	-	322,503
Property Taxes Receivable	1,102,737	57,874	187,362	1,347,973
Accounts Receivable	113,258	916,998	-	1,030,256
Grants Receivable	218	-	-	218
Due From Other Governments	1,453,620	-	294,885	1,748,505
Total Assets	<u>\$ 10,892,390</u>	<u>\$ 5,642,326</u>	<u>\$ 2,225,861</u>	<u>\$ 18,760,577</u>
Liabilities				
Accounts Payable	\$ 369,431	\$ 708,231	\$ 116,385	\$ 1,194,047
Accrued Liabilities	360,351	-	-	360,351
Total Liabilities	<u>729,782</u>	<u>708,231</u>	<u>116,385</u>	<u>1,554,398</u>
Deferred Inflows of Resources				
Property Taxes	<u>1,102,737</u>	<u>57,874</u>	<u>187,362</u>	<u>1,347,973</u>
Fund Balance				
Restricted				
Capital Projects	-	322,503	-	322,503
Parks and Open Space	-	-	1,773,092	1,773,092
Law Enforcement	-	-	7,811	7,811
Committed				
Imaging Technology	12,189	-	-	12,189
Capital Projects	-	1,957,561	-	1,957,561
Assigned				
Barr Trail Maintenance	480,721	-	-	480,721
Capital Projects	-	2,596,157	141,211	2,737,368
Parks and Trails	45,400	-	-	45,400
Police and Fire	14,325	-	-	14,325
Unrestricted, Unassigned	8,507,236	-	-	8,507,236
Total Fund Balance	<u>9,059,871</u>	<u>4,876,221</u>	<u>1,922,114</u>	<u>15,858,206</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 10,892,390</u>	<u>\$ 5,642,326</u>	<u>\$ 2,225,861</u>	<u>\$ 18,760,577</u>

City of Manitou Springs, Colorado
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position
 For the Year Ended December 31, 2024

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

Total Fund Balance of Governmental Funds	\$ 15,858,206
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	
Capital Assets, not being Depreciated	13,886,080
Capital Assets, being Depreciated	33,858,283
Accumulated Depreciation	(17,846,627)
	29,897,736
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds	
Net Pension Liability	(3,035,960)
Pension Related Deferred Outflows of Resources	2,193,616
Pension Related Deferred Inflows of Resources	(148,730)
Net OPEB Liability	(195,544)
OPEB Related Deferred Outflows of Resources	60,402
OPEB Related Deferred Inflows of Resources	(54,523)
	(1,180,739)
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Capital Leases Payable	(1,030,658)
Accrued Compensated Absences	(523,331)
	(1,553,989)
Total Net Position of Governmental Activities	\$ 43,021,214

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

	General	Capital Improvements Fund	Other Governmental Funds	Total
Revenues				
Taxes	\$ 12,847,477	\$ 58,606	\$ 795,356	\$ 13,701,439
Licenses and Permits	171,502	-	-	171,502
Charges for Services	995,751	-	-	995,751
Intergovernmental	297,824	3,004,040	694,813	3,996,677
Fines and Forfeitures	30,927	-	5,377	36,304
Contributions and Donations	53,944	-	-	53,944
Investment Income	708,180	12,888	44,969	766,037
Miscellaneous	10,870	-	1,555	12,425
Total Revenues	<u>15,116,475</u>	<u>3,075,534</u>	<u>1,542,070</u>	<u>19,734,079</u>
Expenditures				
Current				
General Government	3,744,085	-	-	3,744,085
Public Safety	4,129,315	-	-	4,129,315
Public Works	1,409,148	-	33,279	1,442,427
Parks and Recreation	2,248,935	6,063	651,116	2,906,114
Capital Outlay	321,914	7,322,864	632,737	8,277,515
Debt Service				
Principal	-	338,645	-	338,645
Interest and Fiscal Charges	-	47,935	-	47,935
Total Expenditures	<u>11,853,397</u>	<u>7,715,507</u>	<u>1,317,132</u>	<u>20,886,036</u>
Excess Revenues Over (Under) Expenditures	<u>3,263,078</u>	<u>(4,639,973)</u>	<u>224,938</u>	<u>(1,151,957)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	71,076	-	-	71,076
Debt Proceeds	-	28	-	28
Transfers In	1,047,924	2,735,767	-	3,783,691
Transfers Out	(2,635,767)	-	(59,890)	(2,695,657)
Other Financing Sources (Uses)	<u>(1,516,767)</u>	<u>2,735,795</u>	<u>(59,890)</u>	<u>1,159,138</u>
Net Change in Fund Balance	1,746,311	(1,904,178)	165,048	7,181
Fund Balance, Beginning of Year	<u>7,313,560</u>	<u>6,780,399</u>	<u>1,757,066</u>	<u>15,851,025</u>
Fund Balance, End of Year	<u>\$ 9,059,871</u>	<u>\$ 4,876,221</u>	<u>\$ 1,922,114</u>	<u>\$ 15,858,206</u>

City of Manitou Springs, Colorado
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balance of Governmental Funds to the Statement of Activities
 Governmental Funds
 For the Year Ended December 31, 2024

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

Net Change in Fund Balance of Governmental Funds	\$	7,181
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.</p>		
Capital Outlays		7,187,494
Depreciation Expense		(1,425,055)
		5,762,439
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in Net Pension Liability		1,467,798
Change in Deferred Outflows Related to Pensions		(836,690)
Change in Deferred Inflows Related to Pensions		(58,227)
Change in Net OPEB Liability		53,597
Change in Deferred Outflows Related to OPEB		(24,144)
Change in Deferred Inflows Related to OPEB		6,319
		608,653
<p>Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.</p>		
Principal Payments on Long-Term Leases		338,647
Change in Accrued Compensated Absences		(321,321)
		6,395,599
Change in Net Position of Governmental Activities	\$	6,395,599

City of Manitou Springs, Colorado
Statement of Net Position
Proprietary Fund
December 31, 2024

	Storm Drainage Fund	Water Fund	Sewer Fund	Mobility and Parking Fund	Totals
Assets					
<i>Current Assets</i>					
Cash and Investments	\$ 1,452,867	\$ 1,748,753	\$ 3,524,418	\$ 582,762	\$ 7,308,800
Restricted Cash and investments	8,976	4,053,000	450,000	562,773	5,074,749
Accounts Receivable	45,734	501,702	201,827	54,923	804,186
Grants Receivable	102	-	-	-	102
Total Current Assets	1,507,679	6,303,455	4,176,245	1,200,458	13,187,837
<i>Noncurrent Assets</i>					
<i>Capital Assets,</i>					
Net of Accumulated Depreciation	7,275,684	9,369,044	2,248,402	2,977,449	21,870,579
Total Noncurrent Assets	7,275,684	9,369,044	2,248,402	2,977,449	21,870,579
Total Assets	\$ 8,783,363	\$ 15,672,499	\$ 6,424,647	\$ 4,177,907	\$ 35,058,416
Deferred Outflows of Resources					
Pension Related Outflows of Resources	\$ 32,687	\$ 105,637	\$ 56,607	\$ 142,484	\$ 337,415
OPEB Related Outflows of Resources	1,719	5,556	2,978	7,495	17,748
Total Deferred Outflows of Resources	\$ 34,406	\$ 111,193	\$ 59,585	\$ 149,979	\$ 355,163
Liabilities					
<i>Current Liabilities</i>					
Accounts Payable	\$ 61,245	\$ 698,580	\$ 51,973	\$ 376,479	\$ 1,188,277
Accrued Liabilities	3,420	18,344	10,003	8,127	39,894
Accrued Compensated Absences	5,283	18,251	10,144	24,820	58,498
Accrued Interest Payable	5,074	12,746	14,667	17,757	50,244
Leases Payable, Current Portion	60,309	10,136	104,229	101,083	275,757
Loans Payable, Current Portion	-	321,475	-	-	321,475
Total Current Liabilities	135,331	1,079,532	191,016	528,266	1,934,145
<i>Noncurrent Liabilities</i>					
Leases Payable	272,774	3,296	471,052	319,162	1,066,284
Loans Payable	-	4,540,776	885,546	-	5,426,322
Net Pension Liability	72,005	232,708	124,700	313,877	743,290
Net OPEB Liability	5,566	17,988	9,639	24,263	57,456
Total Noncurrent Liabilities	350,345	4,794,768	1,490,937	657,302	7,293,352
Total Liabilities	485,676	5,874,300	1,681,953	1,185,568	9,227,497
Deferred Inflows of Financial Resources					
OPEB, Net of Accumulated Amortization	1,552	5,016	2,688	6,765	16,021
Total Deferred Inflows of Resources	1,552	5,016	2,688	6,765	16,021
Net Position					
Net Investment in Capital Assets	6,942,601	4,493,361	787,575	2,557,204	14,780,741
Unrestricted	1,387,940	5,411,015	4,012,016	578,349	11,389,320
Total Net Position	\$ 8,330,541	\$ 9,904,376	\$ 4,799,591	\$ 3,135,553	\$ 26,170,061

See Notes to the Financial Statements.

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

	Storm Drainage Fund	Water Fund	Sewer Fund	Mobility and Parking Fund	Totals
Operating Revenues					
Charges for Services	\$ 494,775	\$ 2,141,920	\$ 1,447,539	\$ 3,053,092	\$ 7,137,326
Miscellaneous	67,917	471	2,537	51,422	122,347
Total Operating Revenues	<u>562,692</u>	<u>2,142,391</u>	<u>1,450,076</u>	<u>3,104,514</u>	<u>7,259,673</u>
Operating Expenses					
Operations	255,948	1,266,827	956,973	-	2,479,748
Capital Outlay	10,838	-	34,971	504,284	550,093
Mobility and Parking	-	-	-	1,748,898	1,748,898
Depreciation	461,254	537,611	259,093	267,153	1,525,111
Total Operating Expenses	<u>728,040</u>	<u>1,804,438</u>	<u>1,251,037</u>	<u>2,520,335</u>	<u>6,303,850</u>
Net Operating Income	<u>(165,348)</u>	<u>337,953</u>	<u>199,039</u>	<u>584,179</u>	<u>955,823</u>
Nonoperating Revenues					
Investment Income	32,308	32,555	157,043	47,300	269,206
Operating Grants and Contributions	-	1,193,543	-	-	1,193,543
Loan Forgiveness	-	1,142,509	36,727	-	1,179,236
Interest (Expense)	(9,391)	(61,809)	(44,273)	(17,757)	(133,230)
Net Income (Loss) Before Contributed Capital	<u>(142,431)</u>	<u>2,644,751</u>	<u>348,536</u>	<u>613,722</u>	<u>3,464,578</u>
Contributed Capital					
Tap Fees	-	32,459	17,133	-	49,592
Transfers Out	(1,400)	(138,725)	(60,740)	(887,169)	(1,088,034)
Total Capital Contributions and Transfers	<u>(1,400)</u>	<u>(106,266)</u>	<u>(43,607)</u>	<u>(887,169)</u>	<u>(1,038,442)</u>
Change in Net Position	<u>(143,831)</u>	<u>2,538,485</u>	<u>304,929</u>	<u>(273,447)</u>	<u>2,426,136</u>
Net Position, Beginning of Year	<u>8,474,372</u>	<u>7,365,891</u>	<u>4,494,662</u>	<u>3,409,000</u>	<u>23,743,925</u>
Net Position, End of Year	<u>\$ 8,330,541</u>	<u>\$ 9,904,376</u>	<u>\$ 4,799,591</u>	<u>\$ 3,135,553</u>	<u>\$ 26,170,061</u>

City of Manitou Springs, Colorado
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2024

	Storm Drainage	Water	Sewer	Mobility and Parking	Total
Cash Flows From Operating Activities					
Cash Received from Customers	\$ 487,089	\$ 790,484	\$ 1,436,110	\$ 3,051,212	\$ 5,764,895
Cash Received from Others	67,917	471	2,537	51,422	122,347
Cash Paid to Suppliers	(260,248)	(395,803)	(894,633)	(1,557,720)	(3,108,404)
Cash Paid to Employees	(83,081)	(301,681)	(177,586)	(392,176)	(954,524)
Net Cash Provided by Operating Activities	<u>211,677</u>	<u>93,471</u>	<u>366,428</u>	<u>1,152,738</u>	<u>1,824,314</u>
Cash Flows From Capital and Related Financing Activities					
Tap Fees Received	-	32,459	17,133	-	49,592
Acquisition and Construction of Capital Assets	-	(1,538,884)	(101,202)	(1,190,415)	(2,830,501)
Issuance of Debt	-	3,053,000	509,803	540,197	4,103,000
Debt Principal Payments	(64,927)	(306,572)	(94,245)	(119,952)	(585,696)
Debt Interest Payments	(10,545)	(55,664)	(43,743)	-	(109,952)
Operating Grants and Contributions	388,453	1,193,543	-	-	1,581,996
Forgiveness of Debt	-	1,142,509	36,727	-	1,179,236
Transfers to Other Funds	(1,400)	(138,725)	(60,740)	(887,169)	(1,088,034)
Net Cash Used by Capital and Related Financing Activities	<u>311,581</u>	<u>3,381,666</u>	<u>263,733</u>	<u>(1,657,339)</u>	<u>2,299,641</u>
Cash Flows From Investing Activities					
Interest Received	32,308	32,555	157,043	47,300	269,206
Net Cash Used by Capital and Related Financing Activities	<u>32,308</u>	<u>32,555</u>	<u>157,043</u>	<u>47,300</u>	<u>269,206</u>
Net Change in Cash and Cash Equivalents	555,566	3,507,692	787,204	(457,301)	4,393,161
Cash and Cash Equivalents, Beginning of Year	906,277	2,294,061	3,187,214	1,602,836	7,990,388
Cash and Cash Equivalents, End of Year	<u>\$ 1,461,843</u>	<u>\$ 5,801,753</u>	<u>\$ 3,974,418</u>	<u>\$ 1,145,535</u>	<u>\$ 12,383,549</u>
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities					
Net Operating Income	\$ (165,348)	\$ 337,953	\$ 199,039	\$ 584,179	\$ 955,823
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities					
Depreciation Expense	461,254	537,611	259,093	267,153	1,525,111
Changes in Assets and Liabilities Related to Operations					
Utility Receivable	(7,686)	(278,633)	(11,429)	(1,880)	(299,628)
Accounts Payable	(79,781)	550,408	(85,992)	282,769	667,404
Accrued Salaries and Benefits	75	11,016	4,621	1,373	17,085
Accrued Paid Time Off	3,163	7,919	1,096	19,144	31,322
Deferred Revenue	-	(1,072,803)	-	-	(1,072,803)
Net Cash Provided by Operating Activities	<u>\$ 211,677</u>	<u>\$ 93,471</u>	<u>\$ 366,428</u>	<u>\$ 1,152,738</u>	<u>\$ 1,824,314</u>
Reconciliation of cash and equivalents to the statement of net position					
Cash and Investments	\$ 1,452,867	\$ 1,748,753	\$ 3,524,418	\$ 582,762	\$ 7,308,800
Restricted Cash	8,976	4,053,000	450,000	562,773	5,074,749
Total Cash and Equivalents	<u>\$ 1,461,843</u>	<u>\$ 5,801,753</u>	<u>\$ 3,974,418</u>	<u>\$ 1,145,535</u>	<u>\$ 12,383,549</u>

See Notes to the Financial Statements.

City of Manitou Springs, Colorado
Statement of Fiduciary Net Position
Manitou Springs Metropolitan District
For the Year Ended December 31, 2024

	Manitou Springs Metropolitan District
Assets	
Cash and Investments	\$ 762,947
Property Taxes Receivable	4,451
	767,398
Total Assets	\$ <u>767,398</u>
Liabilities	
Accounts Payable	\$ 4
Due to Metropolitan District	762,943
	762,947
Total Liabilities	<u>762,947</u>
Deferred Inflows of Resources	
Deferred Property Tax Revenues	4,451
	4,451
Total Liabilities and Deferred Inflows of Resources	\$ <u>767,398</u>

City of Manitou Springs, Colorado
Statement of Changes in Fiduciary Net Position
Manitou Springs Metropolitan District
For the Year Ended December 31, 2024

	Manitou Springs Metropolitan District
Additions	
Tax collections for other governments	\$ 5,663
Charges for Services	485,611
Intergovernmental	3,004,040
Net investment earnings	<u>37,137</u>
 Total Additions	 3,532,451
Deductions	
Administrative expense	108,193
Payments to other governments	<u>3,424,258</u>
 Total Deductions	 <u>3,532,451</u>
 Net Increase in Fiduciary Net Position	 -
Net Position, Beginning of Year	 <u>-</u>
Net Position, End of Year	 <u>\$ -</u>

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies

The City of Manitou Springs, Colorado (the City) is a home-rule municipality governed by a council-manager form of government through a Mayor and six-member City Council elected by the residents.

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

Reporting Entity

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the City. The City may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of the criteria, the City includes the following entities in its reporting entity.

Manitou Springs Urban Renewal Authority

The Manitou Springs Urban Renewal Authority (the URA) was created to redevelop or rehabilitate certain blighted areas within City limits. The URA has a separate governing board with members appointed by the City Council. Although the URA is legally separate from the City, the URA's primary revenue source, tax increment financing, can only be established by the City. The URA does not issue separate financial statements and is discreetly presented in the City's financial statements.

Government-wide and Fund Financial Statements

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

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

(Continued)

In the fund financial statements, 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 accounted for in another fund.

The *Capital Improvements Fund* accounts for the .556 property tax mill levy used to fund capital projects and repayment of capital related debt of the City.

The City reports the following major proprietary funds:

The *Storm Drainage Fund* accounts for storm drainage fees used for the construction and maintenance of storm drainage facilities and the provision of ongoing storm water monitoring.

The *Water Fund* accounts for the financial activities associated with the provision of water services.

The *Sewer Fund* accounts for the financial activities associated with the provision of sewer services.

The *Mobility and Parking Fund* accounts for the financial activities associated with the provision of parking services.

Additionally, the City reports the following fiduciary fund type:

The *Manitou Springs Metropolitan District Fiduciary Fund* - The Manitou Springs Metropolitan District accounts for the collection of taxes and parking fees related to the District's parking facilities. The City is the collection agent and holds all resources in a purely custodial capacity.

Assets, Liabilities and Net Position/Fund Balance

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

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

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

Capital Assets - Capital assets, which include land, buildings, plant, infrastructure, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$2,500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

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

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

Land Improvements	15 - 25 years
Buildings and Improvements	20 - 40 years
Infrastructure	25 - 55 years
Collection and Distribution Systems	5 - 40 years
Equipment and Vehicles	3 - 10 years

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year.

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

Pensions - The City participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to and deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

Postemployment Benefits Other Than Pensions (OPEB) - The City participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP), and additions to and deductions from the FNP of the HCTF's have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

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

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

- *Nonspendable* - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact. The City did not have any nonspendable resources at December 31, 2024.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

- *Restricted* - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City had classified emergency reserves as being restricted because State statute requires this restriction. In addition, the City had restricted amounts for open space, law enforcement and capital improvements because of voter approved taxes for these purposes.
- *Committed* - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority, the City Council. The constraint may be removed or changed only through formal action of the City Council. The City had committed resources at December 31, 2024, for future document imaging and capital improvements.
- *Assigned* - This classification includes amounts that are constrained by the City's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the City Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts. The City had assigned resources at December 31, 2024, for future Barr Trail maintenance, capital improvements, police, fire, parks, and trails.
- *Unassigned* - This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

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

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

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

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the City on a monthly basis.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

The City has evaluated subsequent events through January 28, 2026, the date the financial statements were available to be issued.

Note 2: Cash and Investments

At December 31, 2024, cash and investments consisted of the following:

Petty Cash	\$ 800
Cash Deposits	2,275,093
Investments	20,921,416
Cash Held with Colorado Water & Power Authority	4,503,000
Escrow Cash	<u>894,252</u>
Total	<u>\$ 28,594,561</u>

Cash is reported in the financial statements as follows:

Primary Government Cash and Investments	\$ 21,619,922
Primary Government Restricted Cash and Investments	5,397,252
Urban Renewal Authority	814,440
Fiduciary Fund	<u>762,947</u>
Total	<u>\$ 28,594,561</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. As of December 31, 2024, the City and the URA had bank deposits of \$1,474,584 and \$564,440, respectively, collateralized with securities held by the financial institutions' agents but not in their name.

Investments

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

- Obligations of the United States and certain U.S. Agency securities.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 2: Cash and Investments (Continued)

Investments (Continued)

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

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the City may invest in one issuer, except for corporate securities.

Local Government Investment Pool - At December 31, 2024, the City had \$20,921,416 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating ColoTrust. ColoTrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at \$1. ColoTrust is rated AAAM by Standard and Poor's. Investments of ColoTrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Fair Value Measurements - The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1) inputs are quoted prices in active markets for identical investments; Level 2) inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3) inputs are unobservable inputs. At December 31, 2024, the City's investment in ColoTrust was reported at the net asset value per share, measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

City of Manitou Springs, Colorado
Notes to Financial Statements
December 31, 2024

Note 3: Capital Assets

Capital asset governmental activity for the year ended December 31, 2024, is summarized below.

	Balance 12/31/23	Additions	Deletions	Transfers	Balance 12/31/24
Governmental Activities					
<i>Capital Assets, Not Being Depreciated</i>					
Land	\$ 7,351,383	\$ 94,266	\$ -	\$ -	\$ 7,445,649
Construction in Progress	<u>1,146,702</u>	<u>5,482,917</u>	<u>-</u>	<u>(189,188)</u>	<u>6,440,431</u>
Total Capital Assets, <i>Not Being Depreciated</i>	<u>8,498,085</u>	<u>5,577,183</u>	<u>-</u>	<u>(189,188)</u>	<u>13,886,080</u>
<i>Capital Assets, Being Depreciated</i>					
Land Improvements	4,520,805	-	-	-	4,520,805
Buildings	3,241,913	1,070,713	-	147,400	4,460,026
Infrastructure	18,031,680	-	-	-	18,031,680
Equipment and Vehicles	<u>6,391,465</u>	<u>539,598</u>	<u>(127,079)</u>	<u>41,788</u>	<u>6,845,772</u>
Total Capital Assets, <i>Being Depreciated</i>	<u>32,185,863</u>	<u>1,610,311</u>	<u>(127,079)</u>	<u>189,188</u>	<u>33,858,283</u>
<i>Capital Assets, Not Being Depreciated</i>					
Less Accumulated Depreciation					
Land Improvements	(2,553,349)	(171,790)	-	-	(2,725,139)
Buildings	(1,484,921)	(143,665)	-	-	(1,628,586)
Infrastructure	(8,591,708)	(504,278)	-	-	(9,095,986)
Equipment and Vehicles	<u>(3,918,673)</u>	<u>(605,322)</u>	<u>127,079</u>	<u>-</u>	<u>(4,396,916)</u>
Total Accumulated Depreciation	<u>(16,548,651)</u>	<u>(1,425,055)</u>	<u>127,079</u>	<u>-</u>	<u>(17,846,627)</u>
Total Capital Assets, <i>Being Depreciated, net</i>	<u>15,637,212</u>	<u>185,256</u>	<u>-</u>	<u>189,188</u>	<u>16,011,656</u>
Governmental Activities Capital Assets, <i>net</i>	<u>\$ 24,135,297</u>	<u>\$ 5,762,439</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,897,736</u>

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

Governmental Activities	
General Government	\$ 574,502
Public Safety	456,615
Public Works	160,617
Parks and Recreation	<u>233,321</u>
Total	<u>\$ 1,425,055</u>

City of Manitou Springs, Colorado
Notes to Financial Statements
December 31, 2024

Note 3: Capital Assets (Continued)

Capital asset business-type activity for the year ended December 31, 2024, is summarized below.

	Balance 12/31/23	Additions	Deletions	Transfers	Balance 12/31/24
Business-Type Activities					
<i>Capital Assets, Not Being Depreciated</i>					
Land	\$ 938,177	\$ 641,691	\$ -	\$ -	\$ 1,579,868
Construction in Progress	343,407	1,976,344	-	-	2,319,751
Total Capital Assets, Not Being Depreciated	1,281,584	2,618,035	-	-	3,899,619
<i>Capital Assets, Being Depreciated</i>					
Land Improvements	195,183	-	-	-	195,183
Buildings	325,238	-	-	-	325,238
Collection and Distribution System	32,150,665	-	-	-	32,150,665
Machinery and Equipment	5,881,618	212,466	-	-	6,094,084
Total Capital Assets, Being Depreciated	38,552,704	212,466	-	-	38,765,170
Less: Accumulated Depreciation	(19,269,099)	(1,525,111)	-	-	(20,794,210)
Total Capital Assets, Being Depreciated, net	19,283,605	(1,312,645)	-	-	17,970,960
Business-Type Activities Capital Assets, net	\$ 20,565,189	\$ 1,305,390	\$ -	\$ -	\$ 21,870,579

Note 4: Long-Term Debt

Governmental Activities

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

	Balance 12/31/23	Additions	Deletions	Balance 12/31/24	Due Within One Year
Governmental Activities					
Financing Leases	\$ 1,369,305	\$ -	\$ 338,647	\$ 1,030,658	\$ 286,428
Compensated Absences	202,010	663,041	341,720	523,331	523,331
Total	\$ 1,571,315	\$ 663,041	\$ 680,367	\$ 1,553,989	\$ 809,759

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

The City has entered into several long-term financing lease agreements to purchase land, equipment, and vehicles. These leases bear interest at rates ranging from 1.370% to 3.980% per annum and mature between June 2024 and May 2032.

City of Manitou Springs, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Governmental Activities (Continued)

The future minimum lease payments of principal and interest as of December 31, 2024, were as follows:

<u>Year Ended December 31,</u>		
2025	\$	309,093
2026		249,675
2027		178,510
2028		102,280
2029		102,280
2030-2032		190,281
Total Future Minimum Lease Payments		<u>1,132,119</u>
Less: Interest		<u>(101,461)</u>
Present Value of Future Minimum Lease Payments	\$	<u>1,030,658</u>

Business-Type Activities

Following are the changes to long-term debt of the business-type activities for the year ended December 31, 2024:

	Balance 12/31/23	Additions	Payments	Balance 12/31/24	Due Within One Year
Business-Type Activities					
1985 Water Loan	\$ 63,641	\$ -	\$ 58,036	\$ 5,605	\$ 5,605
2009 Water Loan	403,443	-	62,068	341,375	62,068
2009 Water Loan	403,443	-	62,068	341,375	62,068
2009 Water Loan	174,614	-	26,864	147,750	26,864
2009 Sewer Loan	27,106	-	4,170	22,936	4,170
2020 Water Loan	313,001	-	14,982	298,019	15,359
2020 Water Loan	739,756	-	35,408	704,348	36,299
2020 Sewer Loan	484,766	-	23,203	461,563	23,787
2024 Water Loan	-	3,053,000	29,219	3,023,781	113,213
2024 Sewer Loan	-	450,000	4,307	445,693	16,687
Financing Leases	962,765	600,000	265,372	1,297,393	231,112
Compensated Absences	27,175	92,754	61,431	58,498	58,498
Total	<u>\$ 3,599,710</u>	<u>\$ 4,195,754</u>	<u>\$ 647,128</u>	<u>\$ 7,148,336</u>	<u>\$ 655,730</u>

Water Loans

During 1985, the City entered into a \$1,200,000 loan agreement with the Colorado Water Conservation Board for construction of certain water supply improvements. Principal and interest payments are due annually on May 1, through 2025. Interest accrues at 4.02% per annum.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

Water Loans (Continued)

During 2009, the City entered into two loan agreements with the Colorado Water Resources and Power Development Authority (CWRPDA), each in the principal amount of \$1,241,361, for construction and improvements to the water delivery systems. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2030. The loan is non-interest bearing.

During 2009, the City entered into a third loan agreement with the CWRPDA in the principal amount of \$537,278 for construction and improvements to the water delivery systems. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2030. The loan is non-interest bearing.

During 2020, the City entered into a \$827,200 loan agreement with the CWRPDA to finance all or a portion of the costs of certain water resource projects. Principal and interest payments are due semi-annually on May 1 and November 1, through 2040. Interest accrues at 2.5% per annum.

During 2020, the City entered into a \$350,000 loan agreement with the CWRPDA for maintenance and projects related to hydroelectric facilities. Principal and interest payments are due semi-annually on May 1 and November 1, through 2040. Interest accrues at 2.5% per annum.

During 2024, the City entered into a \$4,053,000 loan agreement with CWRPDA to finance all or a portion of the costs of certain water resource projects. Principal and interest payments are due semi-annually on May 1 and November 1, through 2044. Interest accrues at 3.25% per annum.

The 2009, 2020, and 2024 CWRDPA water loans are payable solely from revenues of the City's water utility system after deducting operation and maintenance costs. During the year ended December 31, 2024, net revenues of \$760,675 were available to pay annual debt service of \$437,969. Remaining debt service at December 31, 2024 was \$3,854,281.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

Water Loans (Continued)

The CWRPDA water loans include a rate maintenance coverage covenant that requires the City to maintain a coverage ratio of Net Revenues equal to 110% of the maximum annual debt service of the loan when due and any parity debt coming due. The computation of both the Water rate maintenance covenant is as follows:

Revenues	
Operating Revenues	\$ 2,174,946
Expenses	
Operating Expenses	<u>1,405,552</u>
Net Revenues	<u>769,394</u>
Debt Services Requirements	
2009 CWRPDA Notes Payable	151,000
2020 CWRPDA Notes Payable	53,682
2020 CWRPDA Hydropower Plant Note Payable	22,714
2024 CWRPDA Notes Payable	<u>210,573</u>
Total CWRPDA Notes Payable	437,969
Required Coverage	<u>110%</u>
Debt Service Coverage Amount	<u>481,766</u>
Net Revenue Excess (Shortfall)	<u>\$ 287,628</u>

Sewer Loans

During 2009, the City entered into a loan agreement with the CWRPDA in the principal amount of \$83,401 to finance repairs to the City's sewer treatment systems. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2030. The loan is non-interest bearing.

During 2020, the City entered into a \$554,400 loan agreement with the CWRPDA for maintenance and projects related to water management and wastewater treatment facilities. Principal and interest payments are due semi-annually on May 1 and November 1, through 2040. Interest accrues at 2.5% per annum.

During 2024, the City entered into a \$450,000 loan agreement with the CWRPDA for maintenance and projects related to water management and wastewater treatment facilities. Principal and interest payments are due semi-annually on May 1 and November 1, through 2040. Interest accrues at 3.25% per annum.

City of Manitou Springs, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

Sewer Loans (Continued)

The CWRPDA sewer loans are payable solely from revenues of the City's sewer utility system, after deducting operation and maintenance costs. During the year ended December 31, 2024, net revenues of \$570,661 were available to pay annual debt service of \$70,386. Remaining debt service at December 31, 2024 was \$930,192.

The CWRDPA water loans include a rate maintenance coverage covenant that requires the City to maintain a coverage ratio of Net Revenues equal to 110% of the maximum annual debt service of the loan when due and any parity debt coming due. The computation of both the Sewer rate maintenance covenant is as follows:

Revenues	
Operating Revenues	\$ 1,607,119
Expenses	
Operating Expenses	1,061,986
Net Revenues	545,133
 Debt Services Requirements	
2009 CWRPDA Notes Payable	4,170
2020 CWRPDA Notes Payable	35,178
2024 CWRPDA Notes Payable	31,038
Total CWRPDA Notes Payable	70,386
Required Coverage	110%
Debt Service Coverage Amount	77,425
Net Revenue Excess (<i>Shortfall</i>)	\$ 467,708

City of Manitou Springs, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)

Business-Type Activities (Continued)

Sewer Loans (Continued)

Following is the remaining principal and interest for business-type loans as of the year ended December 31, 2024:

Year Ended December 31,	Principal	Interest	Total
2025	\$ 366,119	\$ 148,065	\$ 514,184
2026	366,669	141,687	508,356
2027	373,010	135,345	508,355
2028	379,544	128,811	508,355
2029	386,277	122,078	508,355
2030-2034	1,341,508	501,994	1,843,502
2035-2039	1,465,859	300,069	1,765,928
2040-2044	<u>1,113,459</u>	<u>85,379</u>	<u>1,198,838</u>
Total	<u>\$ 5,792,445</u>	<u>\$ 1,563,428</u>	<u>\$ 7,355,873</u>

Long-Term Leases

The City has entered into several long-term financing lease agreements to purchase equipment and vehicles. These leases bear interest at rates ranging from 1.370% to 5.260% per annum and mature between June 2024 and July 2032. Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2024.

Year Ended December 31,	
2025	\$ 297,587
2026	272,481
2027	254,969
2028	247,193
2029	116,810
2030-2032	<u>324,561</u>
Total Future Minimum Lease Payments	1,513,601
Less: Interest	<u>(216,208)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 1,297,393</u>

City of Manitou Springs, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Interfund Transactions

Interfund transfers during the year ended December 31, 2024, consisted of the following:

Transfers In	Transfers Out	Amount
Capital Improvement Fund	General Fund	\$ 2,635,767
General Fund	Mobility and Parking Fund	787,169
General Fund	Water Enterprise Fund	138,725
Capital Improvement Fund	Mobility and Parking Fund	100,000
General Fund	Sewer Enterprise Fund	60,740
General Fund	El Paso/Becker Park Fund	46,090
General Fund	Open Space Fund	9,150
General Fund	Mach Fund	3,230
General Fund	Law Enforcement Fund	1,420
General Fund	Storm Drainage Fund	1,400
		<hr/>
Total		\$ <u>3,783,691</u>

Note 6: Pension Plans

Eligible City employees may participate in one of six following pension plans, depending on occupation and date of hire:

Nonemergency Employees

- Local Government Division Trust Fund Defined Benefit Plan (PERA)

Police Officers

- Police Officers Statewide Defined Benefit Plan (FPPA)

Firefighters

- Firefighters Statewide Defined Benefit Plan (FPPA)
- Old Hire Firefighters Pension Plan (FPPA)
- Volunteer Firefighters Pension Plan (FPPA)

Local Government Division Trust Fund Defined Benefit Plan (PERA)

General Information - PERA

Plan Description - Eligible employees of the City are provided with pensions through the LGDTF- a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) (Continued)

General Information - PERA (Continued)

Benefits Provided - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) (Continued)

General Information - PERA (Continued)

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of December 31, 2024 - Eligible employees of the City and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Employee contribution rates for the period of January 01, 2024 through December 31, 2024 were 9.00%. Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees were 14.78% of covered salaries for January 01, 2024 through December 31, 2024. However, a portion of the City's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 7).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. The City's contributions to the LGDTF for the year ended December 31, 2024, were \$594,462, equal to the required contributions.

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

The net pension liability for the LGDTF was measured at December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total pension liability to December 31, 2023. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year December 31, 2023 relative to the total contributions of participating employers and State as a nonemployer contributing entity.

At December 31, 2024, the City reported a net pension liability of \$3,272,965 for its proportionate share of the net pension liability.

At December 31, 2023, the City's proportion was 0.4458831411%, which was a decrease of 0.0362699051% from its proportion measured at December 31, 2022.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) (Continued)

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

For the year ended December 31, 2024, the City recognized pension expense of \$124,584. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual		
Earnings on plan investments	947,539	-
Changes in proportion	-	-
Contributions subsequent to the measurement date	594,462	-
Total	\$ 1,542,001	\$ -

\$594,462 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2025	\$ 404,758
2026	806,043
2027	(263,262)
Total	\$ 947,539

City of Manitou Springs, Colorado
Notes to Financial Statements
December 31, 2024

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) (Continued)

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

Actuarial Assumptions - The TPL in the December 31, 2022, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

	Assumptions
Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than Safety Officers	3.2% - 11.3%
Safety Officers	3.2% - 12.4%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/2007	1.00%
Hired after 12/31/2006	Financed by the Annual Increase Reserve (AIR)

As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000 payment received on December 4, 2023 and a \$2,000 receivable. The employer disaffiliation payment and receivable allocations to the LGDTF and HCTF were \$24,967 and \$1,033, respectively.

The mortality tables are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions for members other than Safety Officers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) (Continued)

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

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The long-term expected return on plan assets is reviewed as part of regular experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	<u>100.00%</u>	

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) (Continued)

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

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Discount Rate - The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000 payment received on December 4, 2023 and a \$2,000 receivable. The employer disaffiliation payment and receivable allocations to the LGDTF and HCTF were \$24,967 and \$1,033, respectively.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) (Continued)

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

Based on the above assumptions and methods, the FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination did not use the municipal bond rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the City's proportionate share of the net pension liability if it were calculated using a discount that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's Proportionate share of the Net pension liability (asset)	\$ 6,415,376	\$ 3,272,965	\$ 640,685

Pension Plan Fiduciary Net Position - Detailed information about the LGDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Police Officers Statewide Defined Benefit Pension Plan (SWDB)

General Information - FPPA

Plan Description - The City contributes to the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997, through the Statewide Death and Disability Plan, which is also administered by the FPPA. The Statewide Death and Disability Plan is a noncontributory plan. All full-time, paid police officers of the City are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for police officers hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

Police Officers Statewide Defined Benefit Pension Plan (SWDB) (Continued)

General Information - FPPA (Continued)

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

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

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

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

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

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

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

Contributions - The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statutes. Member contribution rates can be amended by state statute or election of the membership.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

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

Police Officers

The City and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The City and eligible employees contributed 9.0% and 12% of base salary, respectively, for the year ended December 31, 2024. Plan members contribute 12% of base salary. Employer contributions increase 0.5% annually through 2030 to a total of 13% of base salary. The City's contributions to the plan for the year ended December 31, 2024, were \$110,362, equal to the required contributions.

The City's proportion of the net pension asset was based on the City's contributions to the plan for the calendar year ended December 31, 2024, relative to the projected contributions of all participating employers. At December 31, 2024, the City's proportion was 0.1194284432% which was an increase of 0.0017931364% from its proportion measured at December 31, 2023.

At December 31, 2024, the City reported a net pension liability of \$0, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024.

For the year ended December 31, 2024, the City recognized pension expense of \$98,371. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 173,321	\$ 8,975
Changes in assumptions and other inputs	101,900	-
Net difference between projected and actual		
Earnings on plan investments	147,499	-
Changes in proportion	21,330	59,197
Contributions subsequent to the measurement date	110,362	-
Total	\$ 554,412	\$ 68,172

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

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

Police Officers (Continued)

City contributions subsequent to the measurement date of \$110,362 will be recognized as a decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,		
2025	\$	121,199
2026		175,547
2027		17,150
2028		20,668
2029		18,408
Thereafter		22,906
Total	\$	<u>375,878</u>

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

	Assumptions
Actuarial cost method	Entry age normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.00%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.00%
*Includes Inflation at	2.50%

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

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuity Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 50% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

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

Police Officers (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.35%
Fixed Income - Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
Total	<u>100.00%</u>	

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

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

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

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

Police Officers (Continued)

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

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
City's Proportionate share of the Net pension liability (asset)	\$ 669,682	\$ -	\$ -

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

Firefighters Statewide Defined Benefit Pension Plan (SWDB)

General Information - FPPA

Plan Description - The City contributes to the SWDB, a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997, through the Statewide Death and Disability Plan, which is also administered by the FPPA. The Statewide Death and Disability Plan is a noncontributory plan. All full-time, paid firefighters of the City are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

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

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

Firefighters Statewide Defined Benefit Pension Plan (SWDB) (Continued)

General Information - FPPA (Continued)

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

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

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

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

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

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

Contributions - The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statutes. Member contribution rates can be amended by state statute or election of the membership.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

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

State Fire

The City and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The City and eligible employees contributed 9% and 12% of base salary, respectively, for the year ended December 31, 2024.

Plan members contribute 12% of base salary. Employer contributions increase 0.5% annually 2030 to a total of 13% of base salary. The City's contributions to the plan for the year ended December 31, 2024, were \$95,885, equal to the required contributions.

The City's proportion of the net pension asset was based on the City's contributions to the plan for the calendar year ended December 31, 2024, relative to the projected contributions of all participating employers. At December 31, 2024, the City's proportion was 0.0849097499% which was an increase of 0.0376269737% from its proportion measured at December 31, 2023.

At December 31, 2024, the City reported a net pension liability of \$0, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024.

For the year ended December 31, 2024, the City recognized pension expense of \$50,394. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 123,221	\$ 6,384
Changes in assumptions and other inputs	72,447	-
Net difference between projected and actual		
Earnings on plan investments	104,866	-
Changes in proportion	44,469	66,313
Contributions subsequent to the measurement date	95,885	-
Total	\$ 440,888	\$ 72,697

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

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

State Fire (Continued)

City contributions after the measurement date of \$95,885 will be recognized as a decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,		
2025	\$	88,156
2026		126,656
2027		14,785
2028		20,296
2029		13,893
Thereafter		8,520
Total	\$	272,306

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

	Assumptions
Actuarial cost method	Entry age normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.00%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.00%
*Includes Inflation at	2.50%

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

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuity Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 50% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

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

State Fire (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.35%
Fixed Income - Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
Total	100.00%	

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

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

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

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

State Fire (Continued)

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as the City's proportionate share of the net pension (asset) liability if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate, as follows:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's Proportionate share of the Net pension liability (asset)	\$ 476,122	\$ -	\$ -

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

Old Hire Firefighters Pension Plan (FPPA)

General Information - Old Hire Fire

Plan Description - The City's firefighters hired prior to April 8, 1978, are covered by an agent multiple-employer defined benefit pension plan. The Plan is affiliated with and administered by the Fire and Police Pension Association of Colorado (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund. The plan has one retiree and one retiree's beneficiary and is closed to future participation.

The authority under which benefit provisions are established or amended are provided within Colorado Revised Statutes (C.R.S. 31-30.5-210). The Board of Trustees is made up of City Council members and firefighters who along with the Board of Directors of the Colorado FPPA must approve Plan amendments. Any modification must maintain or enhance the actuarial soundness of the plan and cannot adversely affect the benefits of Members.

Benefits Provided - A firefighter's normal retirement date shall be the date on which he has attained fifty years of age and completed twenty years of active service. Any firefighter who elects to retire on or after his normal retirement date is eligible for a monthly pension payment equivalent to one-half of his monthly salary at the date of his retirement. For each year after a firefighter continues working past the normal retirement date, his benefit will increase by 4% of his monthly salary to a maximum benefit of 74%. If a firefighter dies, the surviving spouse receives, until death or remarriage, a monthly pension equal to one-third of the salary of a first-grade firefighter at the time of retirement.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

Old Hire Firefighters Pension Plan (FPPA) (Continued)

General Information - Old Hire Fire (Continued)

Contributions - The plan receives contributions from the City based on an actuarially determined amount, as required by State statute. The actuarial study as of January 1, 2024, indicated that the current level of contributions to the Plan are adequate to support on an actuarially sound basis the prospective benefits, including administrative costs, of the present plan. The City contribution amount for the Plan has been historically determined by biennial actuarial studies.

Administrative costs of the plan are paid from the pension fund. There are no investments in loans to or leases with parties related to the plans.

For the year ended December 31, 2024, the City reported a net pension liability of \$364,401. The net pension liability was measured as of December 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024.

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

Old Hire Fire

For the year ended December 31, 2024, the City recognized pension expense of \$35,478. At December 31, 2024, the City reported deferred outflows and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual		
Earnings on plan investments	\$ 33,055	\$ -
Contributions subsequent to the measurement date	24,144	-
Total	\$ 57,199	\$ -

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

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

Old Hire Fire (Continued)

\$24,144 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (increase to asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	
2025	\$ 10,928
2026	13,010
2027	10,386
2028	<u>(1,269)</u>
Total	\$ <u>33,055</u>

Actuarial Assumptions - The January 1, 2024 actuarial valuation was used to determine the actuarially determined contribution for the fiscal year ending December 31, 2024. The valuation used the following actuarial assumptions and other inputs:

	<u>Assumptions</u>
Actuarial cost method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment rate of return, net of plan investment expenses, including price inflation	4.50%
Projected Salary Increases	N/A

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

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

Old Hire Fire (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	10%	5.50%
Fixed Income - Rates	70%	5.40%
Fixed Income - Credit	10%	5.90%
Diversifiers	0%	7.40%
Long Short	0%	7.00%
Global Public Equity	10%	8.30%
Private Markets	0%	10.20%
Total	<u>100.00%</u>	

Single Discount Rate - The discount rate used to measure the total pension liability was 4.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the plan fiduciary net pension was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Net Pension Asset to Changes in the Single Discount Rate - The following presents the City's net pension liability/(asset) calculated using the single discount rate of 4.5%, as well as what the City's net pension liability/(asset) would be if it were calculated using a single discount rate that is 1 percent lower or 1 percent higher than the current rate:

	1% Decrease (3.5%)	Current Discount Rate (4.5%)	1% Increase (5.5%)
City's Proportionate share of the Net pension liability (asset)	\$ <u>423,152</u>	\$ <u>364,401</u>	\$ <u>313,269</u>

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

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

Old Hire Fire (Continued)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in FPPA's comprehensive annual financial report at www.fppaco.org/PDF/annual-reports/14.annual.report.pdf.

Volunteer Firefighters Pension Plan (FPPA)

General Information - Volunteer Firefighters

Plan Description - The City, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan which is administered by FPPA. Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple employer defined benefit pension plan administered by FPPA. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the pension fund board of trustees. Colorado Revised Statutes (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the volunteer plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area or 1-800-332-FPPA (3772) from outside the metro area.

Volunteer firefighters who complete the minimum annual training required by the City and are members in good standing of the volunteer organization, are eligible to participate in the plan for that year. Volunteers' rights to a benefit vest after ten years of service. Volunteers who retire at, or after the age of 50, with twenty years of credited service, are entitled to a benefit. Volunteers who retire with ten years of credited service are entitled to a partial benefit. Surviving spouses are entitled to a 50% benefit. In addition, the plan provides death and disability benefits funded by insurance policies.

Volunteers Covered by Benefit Terms - At December 31, 2024, the following employees were covered by the benefit terms:

Retirees or Beneficiaries Currently Receiving Benefits	17
Active Employees	33
	<hr/>
Total	50

Contributions - Contributions are determined by the FPPA actuary, using the entry age normal cost method as of January 1, 2023. Contributions into the pension fund are derived from two sources: contributions directly from the City and contributions from the State based on assessed property values and other formulas. For the year ended December 31, 2024, the City's contributions were \$37,951.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

Volunteer Firefighters Pension Plan (FPPA) (Continued)

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

The total pension liability is based on an actuarial valuation performed as of January 1, 2023, and a measurement date of December 31, 2023. This measurement date is within one year of the plan sponsor's fiscal year-end of December 31, 2024, and may be used for December 31, 2024, reporting purposes.

Actuarial Assumptions - The total pension liability was rolled forward from the actuarial valuation as of January 1, 2024 to the measurement date of December 31, 2023, and was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Assumptions</u>
Actuarial cost method	Entry Age Normal
Amortization Method	Level Dollar, Open
Amortization Period	20 Years
Inflation	2.50%
Projected Salary Increases	N/A
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.00%
Cost of Living Adjustments (COLA)	0.00%
*Includes Inflation at	2.50%

Mortality rates were based on the following:

- *Pre-retirement*: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.
- *Post-retirement*: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
- *Disabled*: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

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

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 6: Pension Plans (Continued)

Volunteer Firefighters Pension Plan (FPPA) (Continued)

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.77% and the resulting Single Discount Rate is 7.00%.

Changes in net pension liability for the City's Volunteer Firefighter agent multiple-employer plan is listed as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances, December 31, 2020	\$ 543,450	\$ 350,754	\$ 192,696
Service Cost	6,232	-	6,232
Interest	36,677	-	36,677
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions	-	38,000	(38,000)
Net Investment Income	-	33,974	(33,974)
Benefit Payments	(45,900)	(45,900)	-
Administrative Expenses	-	(12,409)	12,409
State of Colorado supplemental discretionary payment	-	34,156	(34,156)
Total	\$ 540,459	\$ 398,575	\$ 141,884

Sensitivity of the net pension liability (asset) to the changes in the discount rate - The following table presents the net pension liability (asset) of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate.

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
City's Proportionate share of the Net pension asset (Liability)	\$ 197,587	\$ 141,884	\$ 95,244

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report.

City of Manitou Springs, Colorado
Notes to Financial Statements
December 31, 2024

Note 6: Pension Plans (Continued)

Volunteer Firefighters Pension Plan (FPPA) (Continued)

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

For the year ended December 31, 2024, the City recognized pension benefit of \$10,560 for the Volunteer Pension Plan. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,861
Changes in assumptions and other inputs	3,456	-
Net difference between projected and actual		
Earnings on plan investments	13,462	-
Contributions subsequent to the measurement date	72,156	-
Total	\$ 89,074	\$ 7,861

\$72,156 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (increase to asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,			
2025		\$	(2,120)
2026			4,007
2027			9,102
2028			(1,932)
Total		\$	9,057

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 7: Other Postemployment Benefits

General Information

Plan Description - Eligible employees of the City are provided with postemployment benefits other than pensions (OPEB) through the HCTF, a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 *et seq.* specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Eligibility to enroll in PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses and guardians. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year, less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 7: Other Postemployment Benefits (Continued)

General Information (Continued)

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions - Pursuant to Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the Local Government Division are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City was \$44,064 for the year ended December 31, 2024.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2024, the City reported a net OPEB liability of \$253,001 representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023. The City's proportion of the net OPEB liability was based on the City's contributions to the HCTF for the calendar year ended December 31, 2023, relative to the contributions of all participating employers to the HCTF.

At December 31, 2024, the District's proportion was 0.0354478471%, which was a decrease of 0.0034285428% from its proportion measured at December 31, 2023.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 7: Other Postemployment Benefits (Continued)

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

For the year ended December 31, 2024, the City recognized OPEB benefit of \$2,552. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 27,278
Changes of assumptions and other inputs	1,945	18,558
Net difference between projected and actual earnings on plan investments	6,803	-
Changes in proportion	29,447	24,707
Contributions subsequent to the measurement date	44,064	-
Total	\$ 82,259	\$ 70,543

\$44,064 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,			
2025		\$	(8,632)
2026			(4)
2027			(12,427)
2028			(7,793)
2029			(3,492)
Total		\$	(32,348)

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 7: Other Postemployment Benefits (Continued)

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

Actuarial Assumptions - The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	Assumptions
Actuarial Cost Method	Entry Age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	
Members other than Safety Officers	3.2% - 11.3%
Safety Officers	3.2% - 12.4%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
<i>PERA Benefit Structure</i>	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
7.00% in 2023, gradually decreasing to 4.5% in 2033	
Medicare Part A premiums:	
3.50% in 2023, gradually increasing to 4.5% in 2035	

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The 2023 Medicare Part A premium is \$506 per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 7: Other Postemployment Benefits (Continued)

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

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, valuation for the State and Local Government Divisions as shown below, reflect generational mortality and were applied, as applicable, in the December 31, 2022, valuation for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of these Division Trust Funds participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based on the upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based on the upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 7: Other Postemployment Benefits (Continued)

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

Disabled mortality assumptions for members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Per capital health care costs in effect as of December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare A benefits have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regular experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized, as presented previously (see Note 6).

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 7: Other Postemployment Benefits (Continued)

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

Discount Rate - The discount rate used to measure the total OPEB liability was 7.25%. The basis for the projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a \$24,000 payment received on December 4, 2023 and a \$2,000 receivable. The employer disaffiliation payment and receivable allocations to the HCTF and LGDTF were \$1,033 and \$24,967, respectively.

Based on the above assumptions and methods, the FNP for each of the HCTFs was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 7: Other Postemployment Benefits (Continued)

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

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the Discount Rates - The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as the City's proportionate share of the net OPEB liability if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 298,825	\$ 253,001	\$ 213,797

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the Healthcare Cost Trend Rates - The following presents the City's proportionate share of the net OPEB liability calculated using the current healthcare cost trend rates, ranging from 3.00% to 7.00%, as well as the City's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of the net OPEB liability	\$ 245,739	\$ 253,001	\$ 260,899

OPEB plan fiduciary net position - Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Note 8: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for its workers compensation claims.

Public Entity Risk Pool

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

City of Manitou Springs, Colorado

Notes to Financial Statements

December 31, 2024

Note 8: Risk Management (Continued)

Public Entity Risk Pool (Continued)

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity, and the City does not approve budgets, nor does it have the ability to significantly affect the operations of CIRSA.

Note 9: Commitments and Contingencies

Claims and Judgments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. Management believes that additional disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the City.

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. On April 5, 1994, voters within the City approved the collection, retention and expenditure of the full revenues generated by the City in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

In November 1997, voters within the City authorized the City to collect, retain and expend all revenues and other funds in excess of the revenue limitations of the Amendment.

Emergency Reserves have been provided for as required by Article X, Section 20 (5), of the Constitution of the State of Colorado. Per the City Financial Policies Section 7, IV, the City satisfies this requirement through a pledge of real property. City Hall, located at 606 Manitou Ave, per the most valuation by the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for insurance purposes, is valued at \$3,500,000. 16.03% of this value covers the TABOR reserve.

The URA is not subject to the Amendment. See: Marian L. Olson v. City of Golden, et. al. 53 P.3d 747 (Co. App.), certiorari denied.

Required Supplementary Information

City of Manitou Springs, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Sales and Use Taxes	\$ 9,570,000	\$ 9,160,000	\$ 9,302,718	\$ 142,718
Property	1,035,941	1,035,941	1,117,158	81,217
Amusement and Lodging	1,589,000	1,613,500	1,599,986	(13,514)
Franchise	406,000	407,400	426,154	18,754
Auto Use	395,000	395,000	401,461	6,461
Licenses and Permits	134,000	155,000	171,502	16,502
Intergovernmental	237,550	314,330	297,824	(16,506)
Contributions/Donations	5,000	47,789	53,944	6,155
Charges for Services	801,725	1,140,584	995,751	(144,833)
Fines and Forfeitures	55,015	31,015	30,927	(88)
Investment Income	400,500	684,700	708,180	23,480
Proceeds from Sale of Assets	55,000	75,000	71,076	(3,924)
Miscellaneous	2,400	6,000	10,870	4,870
Total Revenues	14,687,131	15,066,259	15,187,551	121,292
Expenditures				
General Government				
Legislative	490,706	458,576	287,927	170,649
Judicial	144,962	122,725	95,145	27,580
Executive	1,019,339	1,109,330	1,019,071	90,259
City Clerk	261,598	303,223	263,745	39,478
Finance	959,192	729,400	712,979	16,421
Planning	807,995	763,916	677,483	86,433
Economic Development	1,273,255	1,316,379	646,829	669,550
Intergovernmental	44,881	45,095	40,295	4,800
Miscellaneous	4,740	4,740	611	4,129
Total General Government	5,006,668	4,853,384	3,744,085	1,109,299
Public Safety				
Police	2,417,123	2,425,785	2,050,743	375,042
Fire	1,309,442	1,406,038	1,307,236	98,802
EMS Transport	771,484	820,810	771,336	49,474
Total Public Safety	4,498,049	4,652,633	4,129,315	523,318
Public Works				
Parking Department	1,703,125	1,619,450	1,409,148	210,302
Total Public Works	1,703,125	1,619,450	1,409,148	210,302

(Continued)

City of Manitou Springs, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2024
 (Continued)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures (Continued)				
Culture and Recreation				
Public Services	\$ 1,935,502	\$ 2,264,975	\$ 2,248,935	\$ 16,040
Total Culture and Recreation	<u>1,935,502</u>	<u>2,264,975</u>	<u>2,248,935</u>	<u>16,040</u>
Capital Outlay	<u>96,000</u>	<u>335,000</u>	<u>321,914</u>	<u>13,086</u>
Total Expenditures	<u>13,239,344</u>	<u>13,725,442</u>	<u>11,853,397</u>	<u>1,872,045</u>
Excess Revenues Over (Under) Expenditures	1,447,787	1,340,817	3,334,154	1,993,337
Other Financing Sources (Uses)				
Transfers In	305,129	1,053,828	1,047,924	(5,904)
Transfers Out	<u>(2,035,767)</u>	<u>(2,635,767)</u>	<u>(2,635,767)</u>	<u>-</u>
Net Change in Fund Balance	(282,851)	(241,122)	1,746,311	1,987,433
Fund Balance, Beginning of Year	<u>7,030,710</u>	<u>7,072,439</u>	<u>7,313,560</u>	<u>241,121</u>
Fund Balance, End of Year	<u>\$ 6,747,859</u>	<u>\$ 6,831,317</u>	<u>\$ 9,059,871</u>	<u>\$ 2,228,554</u>

City of Manitou Springs, Colorado
Budgetary Comparison Schedule
Capital Improvements Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property Taxes	\$ 62,900	\$ 58,520	\$ 58,606	\$ 86
Intergovernmental	2,590,460	3,824,305	3,004,040	(820,265)
Contributions and Donations	450,000	496,230	-	(496,230)
Interest	-	-	12,888	12,888
Total Revenues	<u>3,103,360</u>	<u>4,379,055</u>	<u>3,075,534</u>	<u>(1,303,521)</u>
Expenditures				
Capital Improvements	8,643,170	12,569,759	7,328,927	5,240,832
Debt Service	383,519	383,519	386,580	(3,061)
Total Expenditures	<u>9,026,689</u>	<u>12,953,278</u>	<u>7,715,507</u>	<u>5,237,771</u>
Excess Revenues Over (Under) Expenditures	(5,923,329)	(8,574,223)	(4,639,973)	3,934,250
Other Financing Sources (Uses)				
Debt Proceeds	-	-	28	28
Transfers In	2,035,767	2,735,767	2,735,767	-
Net Change in Fund Balance	(3,887,562)	(5,838,456)	(1,904,178)	3,934,278
Fund Balance, Beginning of Year	<u>4,268,434</u>	<u>5,816,854</u>	<u>6,780,399</u>	<u>963,545</u>
Fund Balance, End of Year	<u>\$ 380,872</u>	<u>\$ (21,602)</u>	<u>\$ 4,876,221</u>	<u>\$ 4,897,823</u>

City of Manitou Springs, Colorado

Schedule of Proportionate Share of the Net Pension Liability and Contributions Public Employees' Retirement Association of Colorado Local Government Division Trust Fund For the Year Ended December 31, 2024

Measurement Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.4458831411%	0.4821530462%	0.4735648465%	0.4365687521%	0.4232621725%
City's Proportionate Share of the Net Pension Liability	\$ 3,272,965	\$ 4,833,888	\$ (406,020)	\$ 2,275,078	\$ 3,095,701
City's Covered-Employee Payroll	\$ 3,917,156	\$ 3,953,961	\$ 3,346,755	\$ 3,079,173	\$ 2,755,869
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	83.55%	122.25%	(12.13%)	73.89%	112.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.03%	82.99%	101.49%	90.88%	75.96%
Reporting Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
City Contributions					
Statutorily Required Contribution	\$ 594,462	\$ 538,220	\$ 531,361	\$ 435,396	\$ 398,510
Contributions in Relation to the Statutorily Required Contribution	<u>(594,462)</u>	<u>(538,220)</u>	<u>(531,361)</u>	<u>(435,396)</u>	<u>(398,510)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-Employee Payroll	\$ 4,320,665	\$ 3,917,156	\$ 3,953,961	\$ 3,346,755	\$ 3,079,173
Contributions as a Percentage of Covered-Employee Payroll	13.76%	13.74%	13.44%	13.01%	12.94%

This schedule is presented to show information for 10 years.

(Continued)

City of Manitou Springs, Colorado

Schedule of Proportionate Share of the Net Pension Liability and Contributions Public Employees' Retirement Association of Colorado Local Government Division Trust Fund For the Year Ended December 31, 2024 (Continued)

Measurement Date	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.4023930474%	0.3564476255%	0.3279100000%	0.3067500000%	0.2589400000%
City's Proportionate Share of the Net Pension Liability	\$ 5,058,938	\$ 3,968,795	\$ 4,427,922	\$ 3,379,093	\$ 2,320,884
City's Covered-Employee Payroll	\$ 2,807,196	\$ 2,248,623	\$ 1,976,677	\$ 1,741,473	\$ 1,418,864
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	180.21%	176.50%	224.01%	194.04%	163.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.96%	79.37%	73.65%	76.87%	80.72%
Reporting Date	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
City Contributions					
Statutorily Required Contribution	\$ 369,595	\$ 323,788	\$ 286,261	\$ 252,803	\$ 220,819
Contributions in Relation to the Statutorily Required Contribution	<u>(369,595)</u>	<u>(323,788)</u>	<u>(286,261)</u>	<u>(252,803)</u>	<u>(220,819)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-Employee Payroll	\$ 2,755,869	\$ 2,807,196	\$ 2,248,623	\$ 1,976,677	\$ 1,741,473
Contributions as a Percentage of Covered-Employee Payroll	13.41%	11.53%	12.73%	12.79%	12.68%

This schedule is presented to show information for 10 years.

City of Manitou Springs, Colorado
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Police Officers Statewide Defined Benefit Pension Plan (FPPA)
For the Year Ended December 31, 2024

Measurement Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.1194284432%	0.1212215796%	0.1258598610%	0.1336000655%	0.1066031300%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ 107,597	\$ (682,077)	\$ (290,046)	\$ (60,291)
City's Covered-Employee Payroll	\$ 1,178,140	\$ 1,054,651	\$ 1,018,816	\$ 785,705	\$ 791,116
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00%	10.20%	(66.95%)	(36.92%)	(7.62%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.00%	97.60%	116.20%	106.70%	75.96%

Reporting Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
City Contributions					
Statutorily Required Contribution	\$ 110,362	\$ 111,465	\$ 94,918	\$ 86,122	\$ 85,847
Contributions in Relation to the Statutorily Required Contribution	<u>(110,362)</u>	<u>(111,465)</u>	<u>(94,918)</u>	<u>(86,122)</u>	<u>(85,847)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City's Covered-Employee Payroll	\$ 1,107,704	\$ 1,178,140	\$ 1,054,651	\$ 1,018,816	\$ 785,705
Contributions as a Percentage of Covered-Employee Payroll	9.96%	9.46%	9.00%	8.45%	10.93%

This schedule is presented to show information for 10 years.

(Continued)

City of Manitou Springs, Colorado
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Police Officers Statewide Defined Benefit Pension Plan (FPPA)
For the Year Ended December 31, 2024
(Continued)

Measurement Date	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.1207309423%	0.130220800%	0.1439600000%	0.1396100000%	0.1345200000%
City's Proportionate Share of the Net Pension Liability	\$ 152,637	\$ (187,343)	\$ 52,019	\$ (2,461)	\$ (151,810)
City's Covered-Employee Payroll	\$ 899,076	\$ 760,073	\$ 738,608	\$ 683,311	\$ 604,912
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	16.98%	(24.65%)	7.04%	(0.36%)	(25.10%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.96%	106.30%	98.21%	100.10%	106.83%
Reporting Date	<u>12/31/2019</u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
City Contributions					
Statutorily Required Contribution	\$ 161,834	\$ 64,698	\$ 60,806	\$ 59,089	\$ 54,665
Contributions in Relation to the Statutorily Required Contribution	<u>(161,834)</u>	<u>(64,698)</u>	<u>(60,806)</u>	<u>(59,089)</u>	<u>(54,665)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-Employee Payroll	\$ 791,116	\$ 899,076	\$ 760,073	\$ 738,608	\$ 683,311
Contributions as a Percentage of Covered-Employee Payroll	20.46%	7.20%	8.00%	8.00%	8.00%

This schedule is presented to show information for 10 years.

City of Manitou Springs, Colorado
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Firefighters Statewide Defined Benefit Pension Plan (FPPA)
For the Year Ended December 31, 2024

Measurement Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.0849097499%	0.0472827761%	0.0608766444%	0.0571535686%	0.0571718140%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ 41,969	\$ (329,911)	\$ (124,081)	\$ (32,334)
City's Covered-Employee Payroll	\$ 835,986	\$ 411,369	\$ 491,112	\$ 422,678	\$ 422,678
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00%	10.20%	(67.18%)	(29.36%)	(7.65%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.00%	97.60%	116.20%	106.70%	75.96%
Reporting Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
City Contributions					
Statutorily Required Contribution	\$ 95,885	\$ 79,248	\$ 37,023	\$ 41,656	\$ 36,725
Contributions in Relation to the Statutorily Required Contribution	(95,885)	(79,248)	(37,023)	(41,656)	(36,725)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered-Employee Payroll	\$ 962,331	\$ 835,986	\$ 411,369	\$ 491,112	\$ 422,678
Contributions as a Percentage of Covered-Employee Payroll	9.96%	9.48%	9.00%	8.48%	8.69%

This schedule is presented to show information for 10 years.

(Continued)

City of Manitou Springs, Colorado
Schedule of Proportionate Share of the Net Pension Liability and Contributions
Firefighters Statewide Defined Benefit Pension Plan (FPPA)
For the Year Ended December 31, 2024
(Continued)

Measurement Date	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.0640696184%	0.0595969000%	0.0641400000%	0.0646500000%	0.0681600000%
City's Proportionate Share of the Net Pension Liability	\$ 81,002	\$ (85,740)	\$ 23,176	\$ (1,140)	\$ (76,927)
City's Covered-Employee Payroll	\$ 349,428	\$ 349,428	\$ 328,841	\$ 333,375	\$ 306,525
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	23.18%	(24.54%)	7.05%	(0.34%)	(25.10%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.96%	106.30%	98.21%	100.10%	106.83%
Reporting Date	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
City Contributions					
Statutorily Required Contribution	\$ 83,855	\$ 34,334	\$ 27,954	\$ 26,307	\$ 26,670
Contributions in Relation to the Statutorily Required Contribution	<u>(83,855)</u>	<u>(34,334)</u>	<u>(27,954)</u>	<u>(26,307)</u>	<u>(26,670)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered-Employee Payroll	422,678	349,428	\$ 349,428	\$ 328,841	\$ 333,375
Contributions as a Percentage of Covered-Employee Payroll	19.84%	9.83%	8.00%	8.00%	8.00%

This schedule is presented to show information for 10 years.

City of Manitou Springs, Colorado
Schedule of Changes in Net Pension Liabilities and Related Ratios
Old Hire Fire Pension Plan (FPPA)
For the Year Ended December 31, 2024

Measurement Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Total Pension Liability					
Interest on the Total Pension Liability	\$ 28,548	\$ 29,320	\$ 29,306	\$ 29,931	\$ 37,594
Difference between expected and actual experience of the Total Pension Liability	19,044	-	16,129	-	6,952
Changes of Assumptions	(8,684)	-	-	-	162,014
Benefit Payments	(47,175)	(45,801)	(44,466)	(43,171)	(41,914)
Net Change in Total Pension Liability	(8,267)	(16,481)	969	(13,240)	164,646
Total Pension Liability - Beginning	657,722	674,203	673,234	686,474	521,828
Total Pension Liability - Ending	<u>\$ 649,455</u>	<u>\$ 657,722</u>	<u>\$ 674,203</u>	<u>\$ 673,234</u>	<u>\$ 686,474</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 24,144	\$ 47,936	\$ 47,936	\$ 18,730	\$ 18,730
Pension Plan Net Investment Income	18,881	(43,267)	1,782	24,742	37,823
Benefit Payments	(47,175)	(45,801)	(44,466)	(43,171)	(41,914)
Pension Plan Administrative Expense	(1,141)	(2,532)	(975)	(2,299)	(1,168)
Net Change in Plan Fiduciary Net Position	(5,291)	(43,664)	4,277	(1,998)	13,471
Total Plan Fiduciary Net Position - Beginning	290,345	334,009	329,732	331,730	318,259
Total Plan Fiduciary - Ending	<u>\$ 285,054</u>	<u>\$ 290,345</u>	<u>\$ 334,009</u>	<u>\$ 329,732</u>	<u>\$ 331,730</u>
Net Pension Liability (Asset)					
Total Pension Liability - Ending	\$ 649,455	\$ 657,722	\$ 674,203	\$ 673,234	\$ 686,474
Total Plan Fiduciary - Ending	285,054	290,345	334,009	329,732	331,730
Net Pension Liability (Asset)	<u>\$ 364,401</u>	<u>\$ 367,377</u>	<u>\$ 340,194</u>	<u>\$ 343,502</u>	<u>\$ 354,744</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	43.89%	44.14%	49.54%	48.98%	48.32%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.

(Continued)

City of Manitou Springs, Colorado
Schedule of Changes in Net Pension Liabilities and Related Ratios
Old Hire Fire Pension Plan (FPPA)
For the Year Ended December 31, 2024
(Continued)

	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability					
Interest on the Total Pension Liability	\$ 37,852	\$ 36,193	\$ 36,383	\$ 40,843	\$ 41,014
Difference between expected and actual experience of the Total Pension Liability	-	26,018	-	(87,449)	-
Changes of Assumptions	-	-	-	26,286	-
Benefit Payments	<u>(40,693)</u>	<u>(39,508)</u>	<u>(38,357)</u>	<u>(39,914)</u>	<u>(46,540)</u>
Net Change in Total Pension Liability	(2,841)	22,703	(1,974)	(60,234)	(5,526)
Total Pension Liability - Beginning	<u>524,669</u>	<u>501,966</u>	<u>503,940</u>	<u>564,174</u>	<u>569,700</u>
Total Pension Liability - Ending	<u>\$ 521,828</u>	<u>\$ 524,669</u>	<u>\$ 501,966</u>	<u>\$ 503,940</u>	<u>\$ 564,174</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 16,956	\$ 16,959	\$ 21,799	\$ 21,799	\$ 19,672
Pension Plan Net Investment Income	371	45,694	17,007	5,687	22,581
Benefit Payments	(40,693)	(39,508)	(38,357)	(39,914)	(46,540)
Pension Plan Administrative Expense	<u>(2,971)</u>	<u>(689)</u>	<u>(2,380)</u>	<u>(837)</u>	<u>(3,655)</u>
Net Change in Plan Fiduciary Net Position	(26,337)	22,456	(1,931)	(13,265)	(7,942)
Total Plan Fiduciary Net Position - Beginning	<u>344,596</u>	<u>322,140</u>	<u>324,071</u>	<u>337,336</u>	<u>345,278</u>
Total Plan Fiduciary - Ending	<u>\$ 318,259</u>	<u>\$ 344,596</u>	<u>\$ 322,140</u>	<u>\$ 324,071</u>	<u>\$ 337,336</u>
Net Pension Liability (Asset)					
Total Pension Liability - Ending	\$ 521,828	\$ 524,669	\$ 501,966	\$ 503,940	\$ 564,174
Total Plan Fiduciary - Ending	<u>318,259</u>	<u>344,596</u>	<u>322,140</u>	<u>324,071</u>	<u>337,336</u>
Net Pension Liability (Asset)	<u>\$ 203,569</u>	<u>\$ 180,073</u>	<u>\$ 179,826</u>	<u>\$ 179,869</u>	<u>\$ 226,838</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	60.99%	65.68%	64.18%	64.31%	59.79%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.

City of Manitou Springs, Colorado
Schedule of Changes in Net Pension Liabilities and Related Ratios
Volunteer Firefighters Pension Plan (FPPA)
For the Year Ended December 31, 2024

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Total Pension Liability					
Service Cost	\$ 6,232	\$ 5,522	\$ 5,522	\$ 5,060	\$ 5,060
Interest on the Total Pension Liability	36,677	37,067	37,361	38,828	39,533
Difference between expected and actual experience of the Total Pension Liability	-	(8,178)	-	(14,589)	-
Changes of Assumptions	-	5,560	-	-	-
Benefit Payments	(45,900)	(45,900)	(48,225)	(52,650)	(56,625)
Net Change in Total Pension Liability	(2,991)	(5,929)	(5,342)	(23,351)	(12,032)
Total Pension Liability - Beginning	543,450	549,379	554,721	578,072	590,104
Total Pension Liability - Ending	<u>\$ 540,459</u>	<u>\$ 543,450</u>	<u>\$ 549,379</u>	<u>\$ 554,721</u>	<u>\$ 578,072</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 38,000	\$ 37,951	\$ 26,964	\$ 21,765	\$ 21,765
Pension Plan Net Investment Income	33,974	(30,459)	48,014	37,237	42,064
Benefit Payments	(45,900)	(45,900)	(48,225)	(52,650)	(56,625)
Pension Plan Administrative Expense	(12,409)	(10,083)	(8,420)	(8,205)	(11,911)
State of Colorado supplemental discretionary payment	34,156	24,268	39,178	14,400	-
Net Change in Plan Fiduciary Net Position	47,821	(24,223)	57,511	12,547	(4,707)
Total Plan Fiduciary Net Position - Beginning	350,754	374,977	317,466	304,919	309,626
Total Plan Fiduciary - Ending	<u>\$ 398,575</u>	<u>\$ 350,754</u>	<u>\$ 374,977</u>	<u>\$ 317,466</u>	<u>\$ 304,919</u>
Net Pension Liability (Asset)					
Total Pension Liability - Ending	\$ 540,459	\$ 543,450	\$ 549,379	\$ 554,721	\$ 578,072
Total Plan Fiduciary - Ending	398,575	350,754	374,977	317,466	304,919
Net Pension Liability (Asset)	<u>\$ 141,884</u>	<u>\$ 192,696</u>	<u>\$ 174,402</u>	<u>\$ 237,255</u>	<u>\$ 273,153</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	73.75%	64.54%	68.25%	57.23%	52.75%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.

(Continued)

City of Manitou Springs, Colorado
Schedule of Changes in Net Pension Liabilities and Related Ratios
Volunteer Firefighters Pension Plan (FPPA)
For the Year Ended December 31, 2024
(Continued)

	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability					
Service Cost	\$ 5,655	\$ 5,655	\$ 6,563	\$ 6,563	\$ 5,274
Interest on the Total Pension Liability	41,581	42,322	41,496	42,160	40,957
Difference between expected and actual experience of the Total Pension Liability	1,311	-	(1,436)	-	24,855
Changes of Assumptions	19,985	-	21,796	-	-
Benefit Payments	<u>(59,054)</u>	<u>(56,700)</u>	<u>(57,225)</u>	<u>(57,905)</u>	<u>(53,550)</u>
Net Change in Total Pension Liability	9,478	(8,723)	11,194	(9,182)	17,536
Total Pension Liability - Beginning	<u>580,626</u>	<u>589,349</u>	<u>578,155</u>	<u>587,337</u>	<u>569,801</u>
Total Pension Liability - Ending	<u>\$ 590,104</u>	<u>\$ 580,626</u>	<u>\$ 589,349</u>	<u>\$ 578,155</u>	<u>\$ 587,337</u>
Plan Fiduciary Net Position					
Employer Contributions	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000	\$ 16,000
Pension Plan Net Investment Income	312	46,005	18,105	6,628	24,145
Benefit Payments	(59,054)	(56,700)	(57,225)	(57,905)	(53,550)
Pension Plan Administrative Expense	(11,616)	(10,873)	(813)	(1,838)	(941)
State of Colorado supplemental discretionary payment	<u>28,800</u>	<u>-</u>	<u>14,400</u>	<u>14,400</u>	<u>14,400</u>
Net Change in Plan Fiduciary Net Position	<u>(25,558)</u>	<u>(5,568)</u>	<u>(9,533)</u>	<u>(22,715)</u>	<u>54</u>
Total Plan Fiduciary Net Position - Beginning	<u>335,184</u>	<u>340,752</u>	<u>350,285</u>	<u>373,000</u>	<u>372,946</u>
Total Plan Fiduciary - Ending	<u>\$ 309,626</u>	<u>\$ 335,184</u>	<u>\$ 340,752</u>	<u>\$ 350,285</u>	<u>\$ 373,000</u>
Net Pension Liability (Asset)					
Total Pension Liability - Ending	\$ 590,104	\$ 580,626	\$ 589,349	\$ 578,155	\$ 587,337
Total Plan Fiduciary - Ending	<u>309,626</u>	<u>335,184</u>	<u>340,752</u>	<u>350,285</u>	<u>373,000</u>
Net Pension Liability (Asset)	<u>\$ 280,478</u>	<u>\$ 245,442</u>	<u>\$ 248,597</u>	<u>\$ 227,870</u>	<u>\$ 214,337</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	52.47%	57.73%	57.82%	60.59%	63.51%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.

City of Manitou Springs, Colorado
Schedule of City Contributions
Old Hire Fire Pension Plan (FPPA)
For the Year Ended December 31, 2024

Fiscal Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
	(a)	(b)	(a) - (b)		
2015	\$ 21,799	\$ 21,799	\$ -	N/A	N/A
2016	\$ 21,799	\$ 21,799	\$ -	N/A	N/A
2017	\$ 21,799	\$ 21,799	\$ -	N/A	N/A
2018	\$ 21,799	\$ 21,799	\$ -	N/A	N/A
2019	\$ 16,956	\$ 16,956	\$ -	N/A	N/A
2020	\$ 18,730	\$ 18,730	\$ -	N/A	N/A
2021	\$ 18,730	\$ 18,730	\$ -	N/A	N/A
2022	\$ 23,968	\$ 47,936	\$ (23,968)	N/A	N/A
2023	\$ 23,968	\$ 47,936	\$ (23,968)	N/A	N/A
2024	\$ 24,144	\$ 24,144	\$ -	N/A	N/A

* - Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.

NOTES:

Actuarial Valuation Date:

1/1/2022

Actuarially determined contribution rates are calculated as of January 1 of even numbered years.

Actuarial Cost Method:

Entry Age Normal

Amortization Method:

N/A

Remaining Amortization Period:

N/A

Asset Valuation Method:

5-Year Smoothed Fair Value

Inflation:

2.50%

Salary Increases:

N/A

Investment Rate of Return

4.50%

Retirement Age:

Any remaining actives are assumed to retire immediately

Mortality:

Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Disabled (pre-1980): Post-retirement rates set forward three years.

This schedule is presented to show information for 10 years.

City of Manitou Springs, Colorado
Schedule of City Contributions
Volunteer Firefighters Pension Plan (FPPA)
For the Year Ended December 31, 2024

Fiscal Year Ending December 31,	Actuarially Determined Contribution*	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
	(a)	(b)	(a) - (b)		
2015	\$ 26,859	\$ 30,400	\$ (3,541)	N/A	N/A
2016	\$ 26,859	\$ 30,400	\$ (3,541)	N/A	N/A
2017	\$ 26,859	\$ 30,400	\$ (3,541)	N/A	N/A
2018	\$ 26,859	\$ 30,400	\$ (3,541)	N/A	N/A
2019	\$ 28,688	\$ 44,800	\$ (16,112)	N/A	N/A
2020	\$ 28,688	\$ 21,765	\$ 6,923	N/A	N/A
2021	\$ 41,352	\$ 36,165	\$ 5,187	N/A	N/A
2022	\$ 41,352	\$ 66,142	\$ (24,790)	N/A	N/A
2023	\$ 37,951	\$ 62,219	\$ (24,268)	N/A	N/A
2024	\$ 37,951	\$ 72,156	\$ (34,205)	N/A	N/A

* - Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer and State of Colorado Supplemental Discretionary Payment.

NOTES:

Actuarial Valuation Date:

1/1/2021

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years.

Actuarial Cost Method:

Entry Age Normal

Amortization Method:

Level Dollar, Open

Remaining Amortization Period:

20 years *

Asset Valuation Method:

5-Year Smoothed Fair Value

Inflation:

2.50%

Salary Increases:

N/A

Investment Rate of Return

7.00%

Retirement Age:

50% per year of eligibility until 100% at age 65.

Mortality:

Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.

Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

* - Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

This schedule is presented to show information for 10 years.

City of Manitou Springs, Colorado
Notes to Required Supplementary Information
December 31, 2024

Note 1: Stewardship, Compliance, and Accountability

Budgets

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

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

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

For the year ended December 31, 2024, the Storm Drainage expenses the budgeted amount. These may be violations of State statutes.

Note 2: Defined Benefit Pension Plans

FPPA Police and Fire Statewide Defined Benefit Plans

Changes in Plan Provisions - The plan provisions have not changed since the prior valuation. The member contribution rate increased in 2024 as a result of member election.

Benefit Adjustments - Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the FPPA Board of Directors discretion and can range from 0% to 3%. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months to October 1.

Changes of Assumptions - Beginning in the January 1, 2014, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

City of Manitou Springs, Colorado
Notes to Required Supplementary Information
December 31, 2024

Note 2: Defined Benefit Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA)

The Public Employees' Retirement Association of Colorado Local Government Division Trust Fund's net pension liability and associated amounts are measured annually at December 31, based on an actuarial valuation as of the previous December 31. The City's contributions and related ratios represent cash contributions and any related accruals that coincide with the City's fiscal year ending on the subsequent December 31.

Changes in Assumptions and Other Inputs - For the year ended December 31, 2024, the total pension liability was determined by an actuarial valuation as of December 31, 2022. The following revised economic and demographic assumptions were effective as of December 31, 2022.

- Investment rate of return assumption of 7.25% per year, compounded annually. This assumption did not change from the prior year.
- Price inflation assumption of 2.3% per year. This assumption did not change from the prior year.
- Real rate of investment return assumption of 4.85% per year, net of investment expenses. The rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 7.25%. This assumption did not change from the prior year.
- Wage inflation assumption of 3.0% per year. This assumption did not change from the prior year.
- Healthy and disabled mortality assumptions are based on the PubG-2010 Employee Tables.

Supplementary Information

City of Manitou Springs, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Funds					Capital Project Fund		Total
	Open Space Fund	Conservation Trust Fund	Law Enforcement Fund	Mach Fund	El Paso/ Beckers Park Fund	Downtown Public Facilities Fund	Rural Transportation Authority Fund	
Assets								
Cash and Investments	\$ 653,149	\$ 388,839	\$ 7,811	\$ 416,247	\$ 306,102	\$ 141,211	\$ (169,745)	\$ 1,743,614
Property Taxes Receivable	83,272	-	-	-	104,090	-	-	187,362
Due From Other Governments	4,982	-	-	71,486	2	-	218,415	294,885
Total Assets	<u>\$ 741,403</u>	<u>\$ 388,839</u>	<u>\$ 7,811</u>	<u>\$ 487,733</u>	<u>\$ 410,194</u>	<u>\$ 141,211</u>	<u>\$ 48,670</u>	<u>\$ 2,225,861</u>
Liabilities								
Accounts Payable	\$ 44,109	\$ 14,162	\$ -	\$ 9,425	\$ 19	\$ -	\$ 48,670	\$ 116,385
Total Liabilities	<u>44,109</u>	<u>14,162</u>	<u>-</u>	<u>9,425</u>	<u>19</u>	<u>-</u>	<u>48,670</u>	<u>116,385</u>
Deferred Inflows of Resources								
Deferred Property Tax Revenue	83,272	-	-	-	104,090	-	-	187,362
Fund Balance								
Restricted								
Parks and Open Space	614,022	374,677	-	478,308	306,085	-	-	1,773,092
Law Enforcement	-	-	7,811	-	-	-	-	7,811
Assigned to Capital Projects								
Capital Projects	-	-	-	-	-	141,211	-	141,211
Total Fund Balance	<u>614,022</u>	<u>374,677</u>	<u>7,811</u>	<u>478,308</u>	<u>306,085</u>	<u>141,211</u>	<u>-</u>	<u>1,922,114</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 741,403</u>	<u>\$ 388,839</u>	<u>\$ 7,811</u>	<u>\$ 487,733</u>	<u>\$ 410,194</u>	<u>\$ 141,211</u>	<u>\$ 48,670</u>	<u>\$ 2,225,861</u>

City of Manitou Springs, Colorado
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Funds				Capital Projects Fund			Total
	Open Space Fund	Conservation Trust Fund	Law Enforcement Fund	Mach Fund	El Paso/ Becker Park Fund	Downtown Public Facilities Fund	Rural Transportation Authority Fund	
Revenues								
Taxes	\$ 228,155	\$ -	\$ -	\$ 463,400	\$ 103,801	\$ -	\$ -	\$ 795,356
Intergovernmental	-	58,770	-	-	-	-	636,043	694,813
Fines and Forfeitures	-	-	5,377	-	-	-	-	5,377
Investment Income	18,533	12,285	402	13,749	-	-	-	44,969
Other Income	1,555	-	-	-	-	-	-	1,555
Total Revenues	<u>248,243</u>	<u>71,055</u>	<u>5,779</u>	<u>477,149</u>	<u>103,801</u>	<u>-</u>	<u>636,043</u>	<u>1,542,070</u>
Expenditures								
Public Works	33,279	-	-	-	-	-	-	33,279
Culture and Recreation	63,945	67,184	-	515,752	4,235	-	-	651,116
Capital Outlay	94,596	-	23,008	-	-	-	515,133	632,737
Total Expenditures	<u>191,820</u>	<u>67,184</u>	<u>23,008</u>	<u>515,752</u>	<u>4,235</u>	<u>-</u>	<u>515,133</u>	<u>1,317,132</u>
Excess Revenues Over/ (Under) Expenditures	<u>56,423</u>	<u>3,871</u>	<u>(17,229)</u>	<u>(38,603)</u>	<u>99,566</u>	<u>-</u>	<u>120,910</u>	<u>224,938</u>
Other Financing Sources (Uses)								
Transfers Out	<u>(9,150)</u>	<u>-</u>	<u>(1,420)</u>	<u>(3,230)</u>	<u>(46,090)</u>	<u>-</u>	<u>-</u>	<u>(59,890)</u>
Net Change in Fund Balance	47,273	3,871	(18,649)	(41,833)	53,476	-	120,910	165,048
Fund Balance, Beginning of Year	<u>566,749</u>	<u>370,806</u>	<u>26,460</u>	<u>520,141</u>	<u>252,609</u>	<u>141,211</u>	<u>(120,910)</u>	<u>1,757,066</u>
Fund Balance, End of Year	<u>\$ 614,022</u>	<u>\$ 374,677</u>	<u>\$ 7,811</u>	<u>\$ 478,308</u>	<u>\$ 306,085</u>	<u>\$ 141,211</u>	<u>\$ -</u>	<u>\$ 1,922,114</u>

City of Manitou Springs, Colorado
 Budgetary Comparison Schedule
 Open Space Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property Taxes	\$ 86,670	\$ 81,787	\$ 83,036	\$ 1,249
Sales Tax	155,000	152,800	145,119	(7,681)
Investment Income	15,000	19,000	18,533	(467)
Miscellaneous	417	1,555	1,555	-
	<u>257,087</u>	<u>255,142</u>	<u>248,243</u>	<u>(6,899)</u>
Expenditures				
Capital Outlay	100,000	200,000	94,596	105,404
Other Funds and Capital	275,340	118,000	97,224	20,776
	<u>375,340</u>	<u>318,000</u>	<u>191,820</u>	<u>126,180</u>
Excess Revenues Over (Under) Expenditures	(118,253)	(62,858)	56,423	119,281
Other Financing Sources (Uses)				
Transfers Out	(9,000)	(9,000)	(9,150)	(150)
Net Change in Fund Balance	(127,253)	(71,858)	47,273	119,131
Fund Balance, Beginning of Year	<u>511,397</u>	<u>566,750</u>	<u>566,749</u>	<u>(1)</u>
Fund Balance, End of Year	<u>\$ 384,144</u>	<u>\$ 494,892</u>	<u>\$ 614,022</u>	<u>\$ 119,130</u>

City of Manitou Springs, Colorado
 Budgetary Comparison Schedule
 Conservation Trust Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Government Shared Revenues	\$ 55,000	\$ 65,000	\$ 58,770	\$ (6,230)
Interest	11,000	14,700	12,285	(2,415)
Total Revenues	<u>66,000</u>	<u>79,700</u>	<u>71,055</u>	<u>(8,645)</u>
Expenditures				
Parks and Recreation	<u>133,000</u>	<u>133,000</u>	<u>67,184</u>	<u>65,816</u>
Total Expenditures	<u>133,000</u>	<u>133,000</u>	<u>67,184</u>	<u>65,816</u>
Net Change in Fund Balance	(67,000)	(53,300)	3,871	57,171
Fund Balance, Beginning of Year	<u>216,715</u>	<u>370,806</u>	<u>370,806</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 149,715</u>	<u>\$ 317,506</u>	<u>\$ 374,677</u>	<u>\$ 57,171</u>

City of Manitou Springs, Colorado
 Budgetary Comparison Schedule
 Law Enforcement Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Fines and Forfeitures	\$ 18,000	\$ 6,000	\$ 5,377	\$ (623)
Grants/Contributions	2,250	2,250	-	(2,250)
Interest	-	470	402	(68)
	20,250	8,720	5,779	(2,941)
Total Revenues				
Expenditures				
Capital Outlay	17,930	23,008	23,008	-
	17,930	23,008	23,008	-
Total Expenditures				
Excess Revenues Over (Under) Expenditures	2,320	(14,288)	(17,229)	(2,941)
Other Financing Sources (Uses)				
Transfers Out	(1,420)	(1,420)	(1,420)	-
	(1,420)	(1,420)	(1,420)	-
Net Change in Fund Balance	900	(15,708)	(18,649)	(2,941)
Fund Balance, Beginning of Year	11,565	26,460	26,460	-
Fund Balance, End of Year	\$ 12,465	\$ 10,752	\$ 7,811	\$ (2,941)

City of Manitou Springs, Colorado
 Budgetary Comparison Schedule
 Mach Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property Taxes	\$ 465,000	\$ 437,400	\$ 463,400	\$ 26,000
Interest	-	13,500	13,749	249
Total Revenues	<u>465,000</u>	<u>450,900</u>	<u>477,149</u>	<u>26,249</u>
Expenditures				
Culture and Recreation	<u>462,360</u>	<u>515,752</u>	<u>515,752</u>	<u>-</u>
Total Expenditures	<u>462,360</u>	<u>515,752</u>	<u>515,752</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	2,640	(64,852)	(38,603)	26,249
Other Financing Sources (Uses)				
Transfers Out	<u>(3,230)</u>	<u>(3,230)</u>	<u>(3,230)</u>	<u>-</u>
Net Change in Fund Balance	(590)	(68,082)	(41,833)	26,249
Fund Balance, Beginning of Year	<u>459,662</u>	<u>520,141</u>	<u>520,141</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 459,072</u>	<u>\$ 452,059</u>	<u>\$ 478,308</u>	<u>\$ 26,249</u>

City of Manitou Springs, Colorado
 Budgetary Comparison Schedule
 El Paso/ Beckers Park Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property Taxes	\$ 108,300	\$ 102,233	\$ 103,801	\$ 1,568
Total Revenues	<u>108,300</u>	<u>102,233</u>	<u>103,801</u>	<u>1,568</u>
Expenditures				
Culture and Recreation	<u>39,730</u>	<u>39,730</u>	<u>4,235</u>	<u>35,495</u>
Total Expenditures	<u>39,730</u>	<u>39,730</u>	<u>4,235</u>	<u>35,495</u>
Excess of Revenues Over (Under) Under Expenditures	68,570	62,503	99,566	37,063
Other Financing Sources (Uses)				
Transfers Out	<u>(46,090)</u>	<u>(46,090)</u>	<u>(46,090)</u>	<u>-</u>
Net Change in Fund Balance	22,480	16,413	53,476	37,063
Fund Balance, Beginning of Year	<u>226,279</u>	<u>252,609</u>	<u>252,609</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 248,759</u>	<u>\$ 269,022</u>	<u>\$ 306,085</u>	<u>\$ 37,063</u>

City of Manitou Springs, Colorado
 Budgetary Comparison Schedule
 Rural Transportation Authority Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 1,107,469	\$ 2,613,432	\$ 636,043	\$ (1,977,389)
Total Revenues	1,107,469	2,613,432	636,043	(1,977,389)
Expenditures				
Capital Outlay	1,107,469	2,613,432	515,133	2,098,299
Total Expenditures	1,107,469	2,613,432	515,133	2,098,299
Net Change in Fund Balance	-	-	120,910	120,910
Fund Balance, Beginning of Year	-	-	(120,910)	(120,910)
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

City of Manitou Springs, Colorado
 Budgetary Comparison Schedule
 Enterprise Fund
 Storm Drainage Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Special Assessments	\$ 438,600	\$ 492,000	\$ 494,775	\$ 2,775
Interest	24,000	36,000	32,308	(3,692)
Miscellaneous	-	-	67,917	67,917
	<u>462,600</u>	<u>528,000</u>	<u>595,000</u>	<u>67,000</u>
Expenses				
Operations and Maintenance	675,925	653,115	266,786	386,329
Capital Outlay	15,000	15,000	-	15,000
Debt Service	75,708	75,708	74,318	1,390
Transfers Out	1,400	1,400	1,400	-
	<u>768,033</u>	<u>745,223</u>	<u>342,504</u>	<u>402,719</u>
<i>Net Income Budget Basis</i>	<u>\$ (305,433)</u>	<u>\$ (217,223)</u>	252,496	<u>\$ 469,719</u>
Reconciliation to GAAP Basis				
Depreciation			(461,254)	
Debt Principal			64,927	
			<u>(416,327)</u>	
Change in Net Position, GAAP Basis			<u>\$ (143,831)</u>	

City of Manitou Springs, Colorado
 Budgetary Comparison Schedule
 Enterprise Fund
 Water Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges For Services	\$ 2,036,800	\$ 2,151,460	\$ 2,141,920	\$ (9,540)
Intergovernmental	-	2,139,902	1,193,543	(946,359)
Loan Forgiveness	-	-	1,142,509	1,142,509
Interest	100,000	60,000	32,555	(27,445)
Tap Fees	39,600	39,600	32,459	(7,141)
Miscellaneous	625	363	471	108
	<u>2,177,025</u>	<u>4,391,325</u>	<u>4,543,457</u>	<u>152,132</u>
Expenses				
Operations	2,929,545	4,587,480	1,266,827	3,320,653
Capital Outlay	1,950,000	3,246,402	1,538,884	1,707,518
Debt Service	412,307	411,003	368,381	42,622
Transfers Out	141,210	141,210	138,725	2,485
	<u>5,433,062</u>	<u>8,386,095</u>	<u>3,312,817</u>	<u>5,073,278</u>
<i>Net Income Budget Basis</i>	<u>\$ (3,256,037)</u>	<u>\$ (3,994,770)</u>	1,230,640	<u>\$ 5,225,410</u>
Reconciliation to GAAP Basis				
Depreciation			(537,611)	
Capital Outlay			1,538,884	
Debt Principal			306,572	
Change in Net Position, GAAP Basis			<u>\$ 2,538,485</u>	

City of Manitou Springs, Colorado
 Budgetary Comparison Schedule
 Enterprise Fund
 Sewer Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 1,648,500	\$ 1,522,500	\$ 1,447,539	\$ (74,961)
Loan Forgiveness	-	-	36,727	36,727
Interest Income	110,000	82,250	157,043	74,793
Miscellaneous	549	1,453	2,537	1,084
Capital Contributions	8,085	8,085	17,133	9,048
Total Revenue	1,767,134	1,614,288	1,660,979	46,691
Expenses				
Operations	1,089,450	1,048,454	956,973	91,481
Capital Outlay	870,000	526,084	136,173	389,911
Debt Service	125,552	140,896	138,518	2,378
Transfers Out	60,740	60,740	60,740	-
Total Expenses	2,145,742	1,776,174	1,292,404	483,770
<i>Net Income Budget Basis</i>	\$ (378,608)	\$ (161,886)	368,575	\$ 530,461
Reconciliation to GAAP Basis				
Depreciation			(259,093)	
Capital Outlay			101,202	
Debt Principal			94,245	
Change in Net Position, GAAP Basis			\$ 304,929	

City of Manitou Springs, Colorado
 Budgetary Comparison Schedule
 Enterprise Fund
 Mobility and Parking Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Charges for Services	\$ 3,214,370	\$ 3,163,070	\$ 3,053,092	\$ (109,978)
Contributions and Donations	325,000	-	-	-
Interest Income	45,000	18,000	47,300	29,300
Miscellaneous	-	-	51,422	51,422
	<u>3,584,370</u>	<u>3,181,070</u>	<u>3,151,814</u>	<u>(29,256)</u>
Expenses				
Mobility/Parking	1,659,675	2,919,083	1,748,898	1,170,185
Capital Outlay	1,386,600	1,136,106	1,694,699	(558,593)
Debt Service	65,310	119,952	137,709	(17,757)
Transfers Out	38,470	887,169	887,169	-
	<u>3,150,055</u>	<u>5,062,310</u>	<u>4,468,475</u>	<u>593,835</u>
<i>Net Income Budget Basis</i>	<u>\$ 434,315</u>	<u>\$ (1,881,240)</u>	<u>(1,316,661)</u>	<u>\$ 564,579</u>
Reconciliation to GAAP Basis				
Depreciation			(267,153)	
Capital Outlay			1,190,415	
Debt Principal			119,952	
			<u>(273,447)</u>	
Change in Net Position, GAAP Basis			<u>\$ (273,447)</u>	

Combining and Individual Fund Statements and Schedules

Compliance Section



**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***

Honorable Mayor and Members of the City Council
City of Manitou Springs, Colorado
Manitou Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Manitou Springs, Colorado (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 28, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 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.

Office Locations:

Colorado Springs, CO
Denver, CO
Frisco, CO
Tulsa, OK

Denver Office:

750 W. Hampden Avenue,
Suite 400
Englewood,
Colorado 80110
TEL: 303.796.1000
FAX: 303.796.1001
www.HinkleCPAs.com

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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.

Hick & Company, PC

Englewood, Colorado
January 28, 2026





Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with the Uniform Guidance

Honorable Mayor and Members of the City Council
City of Manitou Springs, Colorado
Manitou Springs, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Manitou Springs, Colorado (the City) compliance with the types of compliance requirements identified as subject to audit 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 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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.

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 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 on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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.

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.

Hick & Company, PC

Englewood, Colorado
January 28, 2026



City of Manitou Springs, Colorado
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2024

Section I: Summary of Auditor’s Results

Financial Statements

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

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Type of Auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

Assistance Listing Number	Name of Federal Cluster/Program
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? Yes No

(Continued)

City of Manitou Springs, Colorado
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024
(Continued)

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Awards Findings and Questioned Costs

No current year findings or questioned costs were reported.

City of Manitou Springs, Colorado
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

Section I: Financial Statement Findings

None reported for the year ended December 31, 2023.

Section II: Federal Award Findings and Questioned Costs

None reported for the year ended December 31, 2023.

City of Manitou Springs, Colorado
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Expenditures
U.S. Department of Treasury		
Pass-through: El Paso County		
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	\$ <u>1,072,803</u>
Total U.S. Department of Treasury		<u>1,072,803</u>
U.S. Department of Transportation		
Community Development Block Grant	14.218	<u>338,000</u>
Total U.S. Department of Transportation		<u>338,000</u>
U.S. Department of Transportation		
Pass-through: Colorado Department of Transportation		
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	<u>259,746</u>
Total U.S. Department of Transportation		<u>259,746</u>
Total Federal Financial Assistance		<u>\$ <u>1,670,549</u></u>

City of Manitou Springs, Colorado
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City of Manitou Springs, Colorado (the City) under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Administrative Requirements for Federal Awards (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the City.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are generally reported using the cash basis of accounting. Such expenditures are recognized following, as applicable, either the Cost Principles in Office of Management and Budget Circular A-87, Cost Principles for State, Local and Indian Tribal Governments or the cost principles contained in the Uniform Guidance. As such, certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed.

State Compliance

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/2024

This Information From The Records Of: City of Manitou Springs	Prepared By: Rebecca Davis, rdavis@manitouspringsco.gov
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. EXPENDITURES FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ 757,882.19
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 1,129,885.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ 23,417.00
2. General fund appropriations	\$ 2,518,384.72	b. Snow and ice removal	\$ 72,285.00
3. Other local imposts (from page 2)	\$ 459,604.32	c. Other	\$ 67,569.00
4. Miscellaneous local receipts (from page 2)	\$ 74,245.33	d. Total (a. through c.)	\$ 163,271.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 49,251.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 1,385,996.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 3,486,285.19
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 3,052,234.37	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government		2. Notes:	
(from page 2)	\$ 215,381.95	a. Interest	
D. Receipts from Federal Government		b. Redemption	
(from page 2)	\$ 218,668.87	c. Total (a. + b.)	\$ -
E. Total receipts (A.7 + B + C + D)	\$ 3,486,285.19	3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 3,486,285.19

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		\$ 3,486,285.19	\$ 3,486,285.19		\$ -

Notes and Comments:

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 11,115.33
1. Sales Taxes	\$ 356,498.00	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	\$ 63,130.00
5. Specific Ownership &/or Other	\$ 103,106.32	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 459,604.32	h. Other	
c. Total (a. + b.)	\$ 459,604.32	i. Total (a. through h.)	\$ 74,245.33
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 176,568.48	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 16,260.58	d. Federal Transit Administration	\$ 218,668.87
d. DOLA Grant	\$ 5,898.28	e. U.S. Corps of Engineers	
e. Other-Road & Bridge	\$ 16,654.61	f. Other Federal ARPA	
f. Total (a. through e.)	\$ 38,813.47	g. Total (a. through f.)	\$ 218,668.87
4. Total (1. + 2. + 3.f)	\$ 215,381.95	3. Total (1. + 2.g)	\$ 218,668.87
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			\$ -
b. Engineering Costs		\$ 165,838.39	\$ 165,838.39
c. Construction:			
(1). New Facilities			\$ -
(2). Capacity Improvements	\$ 51,185.80		\$ 51,185.80
(3). System Preservation		\$ 540,858.00	\$ 540,858.00
(4). System Enhancement And Operation			\$ -
(5). Total Construction (1)+(2)+(3)+(4)	\$ 51,185.80	\$ 540,858.00	\$ 592,043.80
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	\$ 51,185.80	\$ 706,696.39	\$ 757,882.19
<i>(Carry forward to page 1)</i>			

Notes and Comments: