

City of Victor, Colorado
Financial Statements
with Independent Auditor's Report
December 31, 2024



City of Victor, Colorado

Table of Contents
December 31, 2024

Independent Auditor’s Report	i
Management’s Discussion and Analysis	iv
Basic Financial Statements	
<i>Government-wide Financial Statements</i>	
Statement of Net Position	1
Statement of Activities	2
<i>Governmental Funds</i>	
Balance Sheet	3
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	4
Statement of Revenues, Expenditures and Changes in Fund Balances.....	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
<i>Proprietary Funds</i>	
Statement of Net Position	7
Statement of Revenues, Expenses and Changes in Net Position	8
Statement of Cash Flows	9
<i>Notes to Financial Statements</i>	10
Required Supplementary Information	
Budgetary Comparison Schedule - General Fund.....	22
<i>Notes to Required Supplementary Information</i>	23
Supplementary Information	
<i>Budgetary Comparison Schedules - Governmental Funds</i>	
Capital Projects Fund.....	25
Conservation Trust Fund.....	26
Supplementary Information (Continued)	
Utility Enterprise Fund.....	27
Compliance Section	
<i>State Compliance</i>	
Local Highway Finance Report	28



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of Victor, Colorado
Victor, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund, of the City of Victor, Colorado (the City), as of and for the year ended 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 of Victor, Colorado, 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). 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. 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.

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

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 budgetary comparison information 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.

Other Information

Management is responsible for the other information included in the Supplementary Information and the local highway finance report, as listed in the table of contents. The other information comprises the Supplementary Information and the local highway finance report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Hick & Company, PC

Englewood, Colorado
July 29, 2025



City of Victor, Colorado

Management's Discussion and Analysis

December 31, 2024

This discussion and analysis of the financial performance of the City of Victor, Colorado (the City) provides an overview of the City's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the financial Statements.

FINANCIAL HIGHLIGHTS

- The City's assets as of December 31, 2024 exceeded its liabilities and deferred inflows of resources by \$18,329,489 (net position).
- The City's net position increased by \$482,826 (2.7%) during the year.
- The City's governmental funds had ending fund balances of \$3,657,879 at December 31, 2024. This was an increase of \$374,400 (11.4%) during the year.
- The City's Utility Fund (Water & Wastewater) had ending net position of \$7,395,010. This was a decrease of \$53,652 (0.7%) during the year.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City of Victor'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 and deferred inflows and outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City'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 employee leave).

Both government-wide financial statements distinguish functions of the City of Victor 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 general government, public safety, public works, community development, and culture and recreation. The business-type activities of the City include water and wastewater systems.

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

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Victor, 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 two categories: Governmental Funds and Proprietary Funds.

Governmental Funds - Most of the City's basic services are reported in governmental funds that focus on how money flows into and out of those funds. The unrestricted balances left at year-end are available for spending in future years. These funds are reported using the modified accrual accounting method that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide detailed short-term views of cash, operations, and basic services provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund *Balance Sheet* and the *Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities* provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The City of Victor maintains three individual governmental funds. Information for these funds is presented by fund name in the *Balance Sheet* for Governmental Funds and the *Statement of Revenues, Expenditures, and Changes in Fund Balances* for Governmental Funds. Two of these governmental funds meet the criteria to be designated as major funds (General Fund and Capital Projects Fund). The other governmental fund (Conservation Trust Fund) is shown in a column titled "Nonmajor Governmental Funds."

Proprietary Fund - The City's Utility Fund is reported in a proprietary fund; it focuses on overall economic position rather than year-end fund balances. An enterprise fund is the type of proprietary fund used to account for the City's Utility Fund. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements, but in a bit more detail.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately after the basic financial statements.

Other Information

Budgetary comparison statements or schedules for all funds with budgeted expenditures/expenses are included following the "Notes to Financial Statements" to demonstrate each fund's compliance with adopted budgets and appropriations. For the year ended December 31, 2024, all funds had budgeted expenditures/expenses.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Victor, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$18,329,489 at the close of 2024.

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$3,901,995	\$3,798,035	\$1,731,078	\$1,615,851	\$5,633,073	\$5,413,886
Capital assets, net	7,294,171	7,133,160	5,691,162	5,839,294	12,985,333	12,972,454
Total assets	11,196,166	10,931,195	7,422,240	7,455,145	18,618,406	18,386,340
Current liabilities	157,059	427,499	24,455	3,539	181,514	431,038
Noncurrent Liabilities	17,571	18,638	2,775	2,944	20,346	21,582
Total liabilities	174,630	446,137	27,230	6,483	201,860	452,620
Deferred inflows of resources	87,057	87,057	0	0	87,057	87,057
Net position:						
Net investment in capital assets	7,294,171	7,133,160	5,691,162	5,839,294	12,985,333	12,972,454
Restricted	84,845	74,475	0	0	84,845	74,475
Unrestricted	3,555,463	3,190,366	1,703,848	1,609,368	5,259,311	4,799,734
Total net position	<u>\$10,934,479</u>	<u>\$10,398,001</u>	<u>\$7,395,010</u>	<u>\$7,448,662</u>	<u>\$18,329,489</u>	<u>\$17,846,663</u>

Approximately two-thirds (66.7%) of the governmental activities' net position is "tied up" in capital assets. The City uses these capital assets to provide services to its residents and businesses. In the business-type activities, the City has approximately 77.0% of its net position invested in capital assets. Capital assets in the business-type activities enable the provision of utility services that generate revenues for this fund. Approximately 70.8% of the City's total net position was invested in capital assets at December 31, 2024.

Approximately 0.5% (\$84,845) of the City's total net position at the end of 2024 represents resources that are subject to external restrictions on how they may be used. These are fund balance restrictions of conservation trust fund revenues for parks and certain recreation purposes (\$41,845), and \$43,000 for emergencies.

The remaining amount of the City's total net position at the end of 2024 (\$5,259,311) represents 28.7% of total net position and may be used to meet the City's other ongoing obligations to residents and creditors.

The following table provides a summary of the City's changes in net position during 2024. An analysis of these changes follows for both its Governmental and Business-type Activities.

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

Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program revenues:						
Charges for services	\$ 30,875	\$ 40,070	\$ 2,239,037	\$ 2,572,584	\$ 2,269,912	\$ 2,612,654
Operating grants & contributions	569,319	549,026	0	0	569,319	549,026
Capital grants & contributions	57,484	69,465	34,775	34,949	92,259	104,414
General revenues:						
Property & specific ownership taxes	84,162	84,946	0	0	84,162	84,946
Sales & use taxes	166,403	170,329	0	0	166,403	170,329
Other taxes	34,046	27,054	0	0	34,046	27,054
Intergovernmental Revenues not						
Restricted to Specific Programs	42,498	96,917	0	0	42,498	96,917
Gain (loss) on sale of capital assets	15,726	0	-6,408	0	9,318	0
Investment income	163,430	148,229	674	0	164,104	148,229
Other general revenues	57,775	80,759	0	1,371	57,775	82,130
Total revenues	\$ 1,221,718	\$ 1,266,795	\$ 2,268,078	\$ 2,608,904	\$ 3,489,796	\$ 3,875,699
Program expenses:						
General government	\$ 725,888	\$ 588,343	\$ 0	\$ 0	\$ 725,888	\$ 588,343
Community development	1,439	72,270	0	0	1,439	72,270
Public safety	534,820	468,763	0	0	534,820	468,763
Public works	379,532	476,451	0	0	379,532	476,451
Culture and recreation	83,766	68,619	0	0	83,766	68,619
Water and wastewater utility	0	0	1,281,525	828,172	1,281,525	828,172
Total expenses	\$ 1,725,445	\$ 1,674,446	\$ 1,281,525	\$ 828,172	\$ 3,006,970	\$ 2,502,618
Transfers In/(Out)	\$ 1,040,205	\$ 21,799	-\$1,040,205	-\$21,799	\$ 0	\$ 0
Increase/(decrease) in net position	536,478	-385,852	-53,652	1,758,933	482,826	1,373,081
Net Position, Beginning	10,398,001	10,783,853	7,448,662	5,689,729	17,846,663	16,473,582
Net Position, Ending	\$10,934,479	\$10,398,001	\$7,395,010	\$ 7,448,662	\$18,329,489	\$17,846,663

Governmental Activities

The City relies substantially on grants from the State of Colorado and sales and use taxes to support governmental operations and capital assets. Grants of all types provided 51.3% of the City's total governmental revenues in 2024. These make up the majority of program revenues. Sales and use taxes, property taxes, and other taxes comprise 23.3% of revenues. The City also receives intergovernmental revenues shared with municipalities by State and County governments, charges for certain services, investment income, and other miscellaneous revenues. Program revenues do not cover governmental operating expenses, so taxes and these other governmental revenues are essential to provide general government services. During 2024, total governmental revenues decreased by 3.6% while total governmental expenses increased by 3.0%. Program expenses outpaced governmental revenues by \$503,727 (41.2%). Transfers of over \$1,000,000 into the governmental funds from the business-type funds enabled the governmental funds to report an increase in net position of \$536,478 during 2024.

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

Business-Type Activities

Business-type activities reduced the City's net position by \$53,652 during 2024. Most of this decrease was due to operating losses in the wastewater operation. Revenues decreased by \$340,826 in 2024 while expenses increased by \$453,353 in 2024.

THE CITY'S FUNDS

As noted earlier, the City of Victor uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (unrestricted fund balance) in each fund are shown at year end. At December 31, 2024 the City's two major Governmental funds reported combined ending fund balances of \$3,616,034. The City's major governmental and business-type funds are discussed below.

General Fund. The General Fund is the chief operating fund of the City of Victor. It accounts for all the general services provided by the City. At the end of 2024, the fund balance of the General Fund totaled \$799,515. This was a \$168,091 (26.6%) increase from 2023, due to \$800,000 transferred in from the Utility Fund to offset revenue shortfalls of \$640,851 compared to expenditures. General Fund revenues increased \$72,446 (9.9%) over 2023 while expenditures increased \$204,974 (16.5%) over the same period. Taxes decreased by \$69,362 (21.1%) in 2024.

Capital Projects Fund. The Capital Projects Fund is utilized to accumulate and track funds to finance current and future capital equipment and capital projects for the City. Fund resources generally include grants from the State of Colorado and transfers in from the Utility Fund. During 2024, the Utility Fund transferred \$425,000 to the Capital Projects Fund, and the Capital Projects Fund transferred \$184,794 to the Utility Fund for utility capital assets. The ending fund balance available for future projects increased by \$201,739 to \$2,816,519 during 2024.

Utility Fund. The City's proprietary fund is the Utility Fund that provides water and sewer services. It has separate water and wastewater treatment plants, infrastructure, and customers that are billed monthly for water and wastewater services. Overall net position decreased by \$53,652 (0.7%) to \$7,395,010 in 2024. This decrease was primarily due to transfers out to the General Fund and the Capital Projects Fund. The water and sewer enterprise had a net operating gain of \$957,512 in 2024 as opposed to net operating income of 1,449,468 in 2023.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets include items such as infrastructure, parks, buildings, vehicles and equipment, and land. Infrastructure includes streets, curbs, gutters, sidewalks, traffic signals, and storm water structures. The City uses capital assets to provide services to its residents and businesses; consequently, these assets are not available for future spending. City Management monitors capital asset acquisition and replacement needs and includes them in its annual budget development. Additional information on the City's Capital Assets can be found in Note 4 to the Financial Statements.

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

Long-Term Debt

The City currently has no debt attributable to bonds, loans, capital lease-purchase agreements, or other debt instruments. The City had accrued compensated absences (untaken leave benefits) estimated to total \$20,346 at December 31, 2024. Additional information on the City's Long-term Debt can be found in Note 5 to the Financial Statements.

ECONOMIC FACTORS & NEXT YEAR'S BUDGET

The 2025 Budget estimated revenues for the City's taxes, fees, licenses, permits, and other general revenues, along with expenditures necessary for administration, public safety, public works, community development, and culture and recreation. Management carefully monitors actual revenues and expenditures throughout the year and makes adjustments to budgets and spending if necessary.

New Federal trade policies and economic strategies have been introduced in 2025. Although designed to help improve the long-term economy, short-term impacts include reductions in federal grants to states and municipalities. The full economic impact of these policies on the City's 2025 and future budgets has yet to be determined.

Requests for Information

This financial report was designed to provide the City of Victor's residents, taxpayers, customers, potential investors, and creditors with a general overview of the City's finances, to comply with finance-related laws and regulations, and to demonstrate the City's accountability for the funds it receives and assets it maintains. If you have questions about this report, or should you desire additional financial information, contact the City of Victor at 500 Victor Avenue, P.O. Box 86, Victor, CO 80860 or call the City Offices at (719) 689-2284.

Basic Financial Statements

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	\$ 3,769,124	\$ 1,565,859	\$ 5,334,983
Restricted Cash and Investments	45,326	-	45,326
Accounts Receivable	14	140,263	140,277
Property Taxes Receivable	87,057	-	87,057
Due from Other Governments	474	24,956	25,430
Capital Assets, Not Being Depreciated	262,877	413,732	676,609
Capital Assets, Net of Accumulated Depreciation	<u>7,031,294</u>	<u>5,277,430</u>	<u>12,308,724</u>
 Total Assets	 <u>11,196,166</u>	 <u>7,422,240</u>	 <u>18,618,406</u>
Liabilities			
Accounts Payable	73,989	14,711	88,700
Accrued Salaries	7,183	4,710	11,893
Accrued Liabilities	4,582	5,034	9,616
Deposits	71,305	-	71,305
Accrued Compensated Absences	<u>17,571</u>	<u>2,775</u>	<u>20,346</u>
 Total Liabilities	 <u>174,630</u>	 <u>27,230</u>	 <u>201,860</u>
Deferred Inflows of Resources			
Property Taxes	<u>87,057</u>	<u>-</u>	<u>87,057</u>
 Total Deferred Inflows of Resources	 <u>87,057</u>	 <u>-</u>	 <u>87,057</u>
Net Position			
Net Investment in Capital Assets	7,294,171	5,691,162	12,985,333
Restricted for:			
Emergencies	43,000	-	43,000
Conservation Trust	41,845	-	41,845
Unrestricted	<u>3,555,463</u>	<u>1,703,848</u>	<u>5,259,311</u>
 Total Net Position	 <u>\$ 10,934,479</u>	 <u>\$ 7,395,010</u>	 <u>\$ 18,329,489</u>

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government							
<i>Governmental Activities</i>							
General Government	\$ 725,888	\$ 30,495	\$ 569,319	\$ 57,484	\$ (68,590)	\$ -	\$ (68,590)
Public Safety	534,820	380	-	-	(534,440)	-	(534,440)
Public Works	379,532	-	-	-	(379,532)	-	(379,532)
Community Development	1,439	-	-	-	(1,439)	-	(1,439)
Culture and Recreation	83,766	-	-	-	(83,766)	-	(83,766)
Total Governmental Activities	1,725,445	30,875	569,319	57,484	(1,067,767)	-	(1,067,767)
<i>Business-Type Activities</i>							
Raw Water	375,652	1,964,984	-	-	-	1,589,332	1,589,332
Water	434,277	88,302	-	21,685	-	(324,290)	(324,290)
Wastewater	471,596	185,751	-	13,090	-	(272,755)	(272,755)
Total Business-Type Activities	1,281,525	2,239,037	-	34,775	-	992,287	992,287
Total Primary Government	\$ 3,006,970	\$ 2,269,912	\$ 569,319	\$ 92,259	(1,067,767)	992,287	(75,480)
General Revenues							
Property Taxes					84,162	-	84,162
Sales and Use Taxes					166,403	-	166,403
Specific Ownership Taxes					8,150	-	8,150
Franchise Taxes					25,896	-	25,896
Intergovernmental Revenues not Restricted to Specific Programs					42,498	-	42,498
Sale of Capital Assets					15,726	(6,408)	9,318
Investment Income					163,430	674	164,104
Miscellaneous					57,775	-	57,775
Transfers					1,040,205	(1,040,205)	-
Total General Revenues and Transfers					1,604,245	(1,045,939)	558,306
Change in Net Position					536,478	(53,652)	482,826
Net Position, Beginning of Year, As Previously Stated					10,398,001	7,153,718	17,551,719
Restatement					-	294,944	294,944
Net Position, Beginning of Year, As Restated					10,398,001	7,448,662	17,846,663
Net Position, End of Year					\$ 10,934,479	\$ 7,395,010	\$ 18,329,489

City of Victor, Colorado
Balance Sheet
Governmental Funds
December 31, 2024

	General	Capital Projects	<u>Nonmajor Funds</u> Conservation Trust Fund	Total
Assets				
Cash and Investments	\$ 901,886	\$ 2,867,238	\$ -	\$ 3,769,124
Restricted Cash and Investments	3,481	-	41,845	45,326
Property Taxes Receivable	87,057	-	-	87,057
Due from Other Governments	474	-	-	474
Accounts Receivable	14	-	-	14
Total Assets	\$ 992,912	\$ 2,867,238	\$ 41,845	\$ 3,901,995
Liabilities				
Accounts Payable	\$ 23,270	\$ 50,719	\$ -	\$ 73,989
Accrued Salaries	7,183	-	-	7,183
Accrued Liabilities	4,582	-	-	4,582
Deposits	71,305	-	-	71,305
Total Liabilities	106,340	50,719	-	157,059
Deferred Inflows of Resources				
Property Taxes	87,057	-	-	87,057
Fund Balances				
Restricted for:				
Emergencies	43,000	-	-	43,000
Conservation Trust Fund	-	-	41,845	41,845
Committed to:				
Capital Projects	-	2,816,519	-	2,816,519
Assigned to:				
Fire Department Discretionary Fund	47,096	-	-	47,096
Main Street Discretionary Fund	22,259	-	-	22,259
Unassigned	687,160	-	-	687,160
Total Fund Balances	799,515	2,816,519	41,845	3,657,879
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 992,912	\$ 2,867,238	\$ 41,845	\$ 3,901,995

City of Victor, 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 Balances of Governmental Funds	\$	3,657,879
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.		
Capital Asset Additions		11,540,888
Accumulated Depreciation		(4,246,717)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds.		
Accrued Compensated Absences		<u>(17,571)</u>
 Total Net Position of Governmental Activities	 \$	 <u><u>10,934,479</u></u>

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

	General	Capital Projects	<u>Nonmajor Funds</u> Conservation Trust Fund	Total
Revenues				
Taxes	\$ 258,715	\$ -	\$ -	\$ 258,715
Franchise Fees	25,896	-	-	25,896
Licenses and Permits	30,495	-	-	30,495
Fines and Forfeitures	380	-	-	380
Intergovernmental	42,498	-	4,570	47,068
Administrative Grants	390,406	178,913	-	569,319
Capital Grants	-	57,484	-	57,484
Investment Income	1,276	162,154	-	163,430
Other Income	53,205	-	-	53,205
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	802,871	398,551	4,570	1,205,992
Expenditures				
Current				
General Government				
Legislative	76,717	-	-	76,717
Administrative	354,684	-	-	354,684
Facility Maintenance	6,651	-	-	6,651
Revitalization and Marketing	104,191	-	-	104,191
Public Safety				
Police Department	423,801	-	-	423,801
Fire Department	55,121	-	-	55,121
Public Works	310,104	-	-	310,104
Community Development and Planning	27,248	-	-	27,248
Parks and Cemetery	85,205	-	-	85,205
Capital Outlay	-	437,017	-	437,017
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,443,722	437,017	-	1,880,739
Excess Revenues Over (Under) Expenditures	<hr/> (640,851)	<hr/> (38,466)	<hr/> 4,570	<hr/> (674,747)
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	8,942	-	-	8,942
Transfers In	800,000	425,000	-	1,225,000
Transfers Out	-	(184,795)	-	(184,795)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	808,942	240,205	-	1,049,147
Net Change in Fund Balances	168,091	201,739	4,570	374,400
Fund Balances, Beginning of Year	<hr/> 631,424	<hr/> 2,614,780	<hr/> 37,275	<hr/> 3,283,479
Fund Balances, End of Year	<hr/> \$ 799,515	<hr/> \$ 2,816,519	<hr/> \$ 41,845	<hr/> \$ 3,657,879

See Notes to the Financial Statements.

City of Victor, Colorado
 Reconciliation of the Statement of Revenues, Expenditures and Changes in
 Fund Balances 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 Balances of Governmental Funds	\$	374,400
<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>		
Depreciation Expense		(282,790)
Capital Outlays		443,801
<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>		
Change in Accrued Compensated Absences		1,067
Change in Net Position of Governmental Activities	\$	536,478

City of Victor, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2024

	Utility Enterprise
Assets	
<i>Current Assets</i>	
Cash and Investments	\$ 1,565,859
Utility Fees Receivable	141,528
Other Receivables	23,691
Total Current Assets	1,731,078
 <i>Noncurrent Assets</i>	
Capital Assets, <i>Not Being Depreciated</i>	413,732
Capital Assets, <i>Net of Accumulated Depreciation</i>	5,277,430
Total Noncurrent Assets	5,691,162
Total Assets	7,422,240
 Liabilities	
<i>Current Liabilities</i>	
Accounts Payable	15,201
Accrued Liabilities	4,544
Accrued Salaries	4,710
Current Portion of Long-Term Debt	
Compensated Absences Payable	2,775
Total Current Liabilities	27,230
 Net Position	
Net Investment in Capital Assets	5,691,162
Unrestricted	1,703,848
Total Net Position	\$ 7,395,010

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

	Utility Enterprise
Operating Revenues	
Charges for Services	\$ 2,239,037
Total Operating Revenues	<u>2,239,037</u>
Operating Expenses	
General and Administration	445,038
Operations and Maintenance	
Raw Water	295,406
Treated Water	98,386
Wastewater	116,176
Depreciation	<u>326,519</u>
Total Operating Expenses	<u>1,281,525</u>
Operating Income (Loss)	<u>957,512</u>
Nonoperating Revenues (Expenses)	
Loss on Disposal of Assets	(6,408)
Investment Income	<u>674</u>
Total Nonoperating Revenues (Expenses)	<u>(5,734)</u>
Net Income (Loss) Before Transfers and Capital Contributions	951,778
System Development Fees	34,775
Transfers In	184,795
Transfers Out	<u>(1,225,000)</u>
Change in Net Position	<u>(53,652)</u>
Net Position, Beginning of Year , As Previously Stated	7,153,718
Restatement	<u>294,944</u>
Net Position, Beginning of Year , As Restated	<u>7,448,662</u>
Net Position, End of Year	<u>\$ 7,395,010</u>

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

	Utility Enterprise
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 2,574,109
Cash Payments to Employees	(622,479)
Cash Payments to Suppliers	(310,744)
	1,640,886
Net Cash Provided (Used) by Operating Activities	1,640,886
Cash Flows from Nonoperating Capital Financing Activities	
Transfers In	(1,040,205)
	(1,040,205)
Net Cash Provided (Used) by Noncapital Financing Activities	(1,040,205)
Cash Flows from Capital and Related Financing Activities	
Capital Asset Additions	(184,795)
System Development Fees Received	34,775
	(150,020)
Net Cash Provided (Used) by Capital and Related Financing Activities	(150,020)
Cash Flow from Investing Activities	
Interest Received	674
	674
Net Change in Cash and Cash Equivalents	451,335
Cash and Cash Equivalents, <i>Beginning of Year</i>	1,114,524
Cash and Cash Equivalents, <i>End of Year</i>	\$ 1,565,859
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ 957,512
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation	326,519
Changes in Assets and Liabilities	
Accounts Receivable	330,362
Accounts Payable	11,974
Accrued Liabilities	12,164
Customer Deposits	2,355
	2,355
Net Cash Provided (Used) by Operating Activities	\$ 1,640,886

See Notes to the Financial Statements.

City of Victor, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies

The City of Victor, Colorado (the City) was founded in 1893. It operates under a Mayor/Council statutory form of government and provides the following services: public safety (police and fire services), public works (highway and streets), water, sewer, parks and recreations, cemetery, community development (including planning, building, and zoning), downtown revitalization and general government.

The accounting policies of the City of Victor, Colorado (the City) conform to generally accepted accounting principles as applicable to government 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 the organization has the potential to provide benefits to, or impose financial burdens on, the City. Based on the application of these criteria, the City does not have any additional entities in its reporting entity.

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 nonfiduciary 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.

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*.

City of Victor, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental and enterprise 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 and pension trust 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 to be 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 the fund's principal ongoing operations. Operating expenses 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.

In the fund financial statements, the City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those accounted for in another fund.

Capital Projects Fund - This fund accounts for financial resources to be used for the acquisition and construction of capital improvements and equipment.

City of Victor, 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)

The City also reports the following major enterprise funds:

Utility Enterprise Fund - This fund accounts for all activities necessary to provide water and wastewater services to the City residents.

Assets, Liabilities and Net Position/Fund Balances

Cash Equivalents - Cash equivalents include investments with original maturities of three months or less. Investments in pooled cash are considered cash equivalents.

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

Inventories - Inventories of the proprietary funds are valued using the average cost method and are reported as expenses when consumed. Materials and supplies purchased by the governmental funds are charged to operations when purchased.

Prepaid Expenses - Payments to vendors for services that will benefit subsequent years are reported as prepaid expenses.

Interfund Receivables and Payables - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified in the fund financial statements as *interfund receivables* and *interfund payables* when they are short-term in nature. Noncurrent portions of interfund receivables and payables are reported as *advances from other funds* and *advances to other funds*. Any residual balances outstanding between governmental and business-type activities are reported in the government-wide financial statements as *internal balances*.

Capital Assets - Capital assets, which include land, buildings, equipment, and all infrastructure assets owned by the City, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary funds in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 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 acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset lives are not capitalized.

City of Victor, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

Buildings and Improvements	30 - 50 years
Infrastructure	30 - 40 years
Machinery and Equipment	5 - 15 years

The City has elected not to retroactively report infrastructure.

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 vacation up to one year's accrual plus 40 hours. Upon termination of employment, an employee will be compensated for all eligible accrued vacation time at their current rate of pay.

Net Position - In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

Net Investment in Capital Assets - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted - This consists of net position legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted - This consists of net position not meeting the definition of "restricted" or "invested in capital assets, net of related debt."

When an expense is incurred for purposes for which restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

Fund Balance Classification - The following fund balance classifications describe the relative strength of the spending constraints placed on a government's fund balance and purposes for which resources can be used:

Nonspendable fund balance - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance - Amounts constrained to specific purposes stipulated by external resource providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

City of Victor, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

Committed fund balance - Amounts constrained to specific purposes stipulated by a government itself, determined by formal action by the City Council to be reported as committed, amounts cannot be used for any other purpose unless changed by the City Council.

Assigned fund balance - Amounts the City intends to use for a specific purpose as expressed by management.

Unassigned fund balance - Amounts that are available for any purpose; positive amounts are reported only in the general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution or ordinance. Each December the budget is adopted by resolution for the coming year. A fund balance commitment is indicated in the budget by the use of reserves. The budget document will also identify the budgeted use of any restricted funds planned in the budget.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1 and are levied the following December for collection 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. Since property tax revenues are collected in arrears during the succeeding year, receivables and corresponding deferred inflows of resources are reported at year end.

Subsequent Events

The City has evaluated subsequent events through July 29, 2025, the date the financial statements were available to be issued.

Note 2: Cash and Investments

Cash and investments at December 31, 2024, consisted of the following:

Petty Cash	\$	300
Deposits		2,230,586
Investments		3,149,423
 Total	 \$	 <u><u>5,380,309</u></u>

City of Victor, Colorado
Notes to Financial Statements
December 31, 2024

Note 2: Cash and Investments (Continued)

Cash and investments are reported in the financial statements as follows:

Cash and Investments	\$ 5,334,983
Restricted Cash and Investments	<u>45,326</u>
 Total	 \$ <u><u>5,380,309</u></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. At December 31, 2024, the City had bank deposits of \$1,995,804 collateralized with securities held by the financial institutions' agents but not in the City's name.

Investments

The City is required to comply with State statutes which specify investments 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. The City's investment policy does not further limit these investment choices.

- Obligations of the United States and certain U.S. Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Certain corporate or bank securities
- Commercial paper
- Local government investment pools
- Repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts (GICs)

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

Investment Type	S&P Rating	Investment Maturities in Years		
		Less Than 1	1 to 5 Years	Total
Local Government Investment Pools	AAAm	\$ 3,149,423	\$ -	\$ 3,149,423
 Total		 \$ <u>3,149,423</u>	 \$ <u>-</u>	 \$ <u>3,149,423</u>

City of Victor, Colorado
Notes to Financial Statements
December 31, 2024

Note 2: Cash and Investments (Continued)

Investments (Continued)

Local Government Investment Pools - At December 31, 2024, the City had \$3,149,423 invested in the Colorado Local Government Liquid Asset Trust (Colotrust). The Trusts is an investment vehicles 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 the Trust. The Trust operates in conformity with the Securities and Exchange Commission’s Rule 2a-7, with each share valued at \$1. The Trust is rated AAAM by Standard and Poor’s. Investments of the Trust is 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.

Restricted Cash and Investments

\$3,481 is restricted for employee Health Reimbursement Accounts and \$41,845 is restricted for the Conservation Trust Fund.

Note 3: Interfund Balances and Transactions

Interfund Transfers

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

Transfers In	Transfers Out	Amount
General Fund	Raw Water Fund	\$ 800,000
Capital Projects Fund	Raw Water Fund	425,000
Water Fund	Capital Projects Fund	85,056
Wastewater Fund	Capital Projects Fund	81,409
Raw Water Fund	Capital Projects Fund	18,330
Total		\$ <u>1,409,795</u>

The transfer from the Raw Water Fund to the General Fund is an annual transfer that supports the day to day operations of the City. The transfer from the Raw Water Fund to the Capital Projects Fund is an annual transfer meant to enable the City to deliver projects. The transfers from the Capital Projects Fund to the Utilities Funds are for current year capital outlay purchases.

City of Victor, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Capital Assets

Governmental Activities capital assets activity for the year ended December 31, 2024, is summarized below:

	Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24
Governmental Activities					
<i>Capital Assets, Not Being Depreciated</i>					
Land	\$ 232,662	\$ -	\$ -	\$ -	\$ 232,662
Constructions in Progress	358,493	73,073	(401,351)	-	30,215
Total Capital Assets, Not Being Depreciated	591,155	73,073	(401,351)	-	262,877
<i>Capital Assets, being depreciated</i>					
Buildings and Improvements	6,043,789	138,974	401,351	-	6,584,114
Machinery and Equipment	1,818,410	224,970	-	(92,424)	1,950,956
Infrastructure	2,742,941	-	-	-	2,742,941
Total Capital Assets, Being Depreciated	10,605,140	363,944	401,351	(92,424)	11,278,011
<i>Less Accumulated Depreciation</i>					
Buildings and Improvements	(1,520,992)	(164,115)	-	-	(1,685,107)
Machinery and Equipment	(1,523,318)	(55,898)	-	99,208	(1,480,008)
Infrastructure	(1,018,825)	(62,777)	-	-	(1,081,602)
Total Accumulated Depreciation	(4,063,135)	(282,790)	-	99,208	(4,246,717)
Capital Assets, Being Depreciated, Net	6,542,005	81,154	401,351	6,784	7,031,294
Governmental Activities Capital Assets, Net	\$ 7,133,160	\$ 154,227	\$ -	\$ 6,784	\$ 7,294,171

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

Governmental Activities	
General Government	\$ 164,115
Public Safety	55,898
Public Works	62,777
Total	\$ 282,790

City of Victor, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Capital Assets (Continued)

Business-type assets activity for the year ended December 31, 2024, is summarized below:

	(Restated) Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24
Business-Type Activities					
<i>Capital Assets, Not Being Depreciated</i>					
Land and Water Rights	\$ 151,120	\$ -	\$ -	\$ -	\$ 151,120
Constructions in Progress	1,333,049	178,453	(1,248,890)	-	262,612
Total Capital Assets, Not Being Depreciated	1,484,169	178,453	(1,248,890)	-	413,732
<i>Capital Assets, Being Depreciated</i>					
Machinery and Equipment	515,273	6,342	-	(8,010)	513,605
Infrastructure	1,168,728	-	1,248,890	-	2,417,618
Water Plant and Systems	4,149,145	-	-	-	4,149,145
Wastewater Plant and Systems	6,480,323	-	-	-	6,480,323
Total Capital Assets, Being Depreciated	12,313,469	6,342	1,248,890	(8,010)	13,560,691
<i>Less Accumulated Depreciation</i>					
Machinery and Equipment	(455,001)	(18,769)	-	1,602	(472,168)
Infrastructure	(580,396)	(40,823)	-	-	(621,219)
Water Plant and Systems	(2,933,740)	(122,610)	-	-	(3,056,350)
Wastewater Plant and Systems	(3,989,207)	(144,317)	-	-	(4,133,524)
Total Accumulated Depreciation	(7,958,344)	(326,519)	-	1,602	(8,283,261)
Capital Assets, Being Depreciated, Net	4,355,125	(320,177)	1,248,890	(6,408)	5,277,430
Business-Type Activities Capital Assets, Net	\$ 5,839,294	\$ (141,724)	\$ -	\$ (6,408)	\$ 5,691,162

Note 5: Long-Term Debt

Governmental Activities

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

	Balance 12/31/23	Additions	Reductions	Balance 12/31/24	Due Within One Year
Compensated Absences	\$ 18,638	\$ 29,714	\$ (30,781)	\$ 17,571	\$ 17,571

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2024.

	Balance 12/31/23	Additions	Reductions	Balance 12/31/24	Due Within One Year
Compensated Absences	\$ 2,944	\$ 4,693	\$ (4,862)	\$ 2,775	\$ 2,775

City of Victor, Colorado
Notes to Financial Statements
December 31, 2024

Note 6: Commitments, Contingencies and Economic Dependency

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or Capital Projects Fund. However, in the opinion of the City, any such disallowed claims will not have a material effect on the financial statements of the individual fund type or on the overall financial position of the City at December 31, 2024.

The City has only one major employer within its City limits, the Cripple Creek & Victor Gold Mining Company, which accounts for a significant portion of the City's utility fees revenue.

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. The Amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the Amendment. However, the City has made certain interpretations of the Amendment's language in order to determine compliance.

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2024, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of \$43,000.

Claims and Judgements

The City participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2024, significant amounts of grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the City.

Litigation

The City is not involved in any pending or threatened litigation as of December 31, 2024.

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 government. TABOR requires local governments to establish emergency reserves.

City of Victor, Colorado
Notes to Financial Statements
December 31, 2024

Note 6: Commitments, Contingencies and Economic Dependency (Continued)

TABOR Amendment (Continued)

The City has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2024, the emergency reserve of \$43,000 was recorded in the General Fund.

Note 7: 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; natural disasters; and health and dental claims of its employees.

Public Entity Risk Pool

For property, liability and workers compensation risks of loss, the City is a member of 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).

The purposes of CIRSA are to provide members with defined liability, property, and workers compensation coverages and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or 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.

City of Victor, Colorado
Notes to Financial Statements
December 31, 2024

Note 8: Restatement of Prior Year Balances

Restatement of December 31, 2023 Net Position to record construction in progress purchased in 2023 that was expensed by the Water Fund.

	<u>2023 Balances as Reported</u>	<u>Asset Restatement</u>	<u>2023 Balances as Restated</u>
Business Type Activities			
Statement of Net Position			
Assets	\$ <u>7,160,201</u>	\$ <u>294,944</u>	\$ <u>7,455,145</u>
Net Position	\$ <u>7,153,718</u>	\$ <u>294,944</u>	\$ <u>7,448,662</u>

Required Supplementary Information

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 212,278	\$ 212,278	\$ 258,715	\$ 46,437
Franchise Fees	24,550	24,550	25,896	1,346
Licenses and Permits	16,020	16,020	30,495	14,475
Fines and Forfeitures	100	100	380	280
Intergovernmental	94,215	94,215	42,498	(51,717)
Administrative Grants	271,000	271,000	390,406	119,406
Investment Income	700	700	1,276	576
Other Income	15,650	15,650	53,205	37,555
Total Revenues	<u>634,513</u>	<u>634,513</u>	<u>802,871</u>	<u>168,358</u>
Expenditures				
General Government				
Legislative	69,760	69,760	76,717	(6,957)
Administrative	251,399	251,399	354,684	(103,285)
Facility Maintenance	50,700	50,700	6,651	44,049
Revitalization and Marketing	108,398	108,398	104,191	4,207
Public Safety				
Police Department	352,813	352,813	423,801	(70,988)
Fire Department	62,204	64,704	55,121	9,583
Public Works	320,302	312,302	310,104	2,198
Community Development and Planning	88,250	88,250	27,248	61,002
Parks and Cemetery	87,219	87,219	85,205	2,014
Total Expenditures	<u>1,391,045</u>	<u>1,385,545</u>	<u>1,443,722</u>	<u>(58,177)</u>
Excess of Revenues Over (Under) Expenditures	<u>(756,532)</u>	<u>(751,032)</u>	<u>(640,851)</u>	<u>110,181</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	-	-	8,942	8,942
Transfers In	800,000	800,000	800,000	-
Total Other Financing Sources (Uses)	<u>800,000</u>	<u>800,000</u>	<u>808,942</u>	<u>8,942</u>
Net Change in Fund Balance	43,468	48,968	168,091	119,123
Fund Balance, Beginning of Year	<u>969,844</u>	<u>969,844</u>	<u>631,424</u>	<u>(338,420)</u>
Fund Balance, End of Year	<u>\$ 1,013,312</u>	<u>\$ 1,018,812</u>	<u>\$ 799,515</u>	<u>\$ (219,297)</u>

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

Note 1: Volunteer Firefighters' Pension Plan

Contributions

The City made no contributions to the Volunteer Firefighters' Pension Plan during the year ended December 31, 2024. In addition, the plan members consist only of volunteer firefighters and no employee payroll information is applicable.

Actuarial Assumptions

Significant actuarial methods and assumptions used to determine the contribution rates for the Volunteer Firefighters' Pension Plan are as follows:

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry age
Amortization Method	Level amount, open
Remaining Amortization Period	30 years
Asset Valuation Method	Fair value
Interest Rate	2.3% per annum, compounded annually, net of operating expenses
Inflation Rate	2.5% per annum
Retirement Age	Age 50 and 20 years of service
Mortality	Projected 15 years from the valuation date

Note 2: Stewardship, Compliance and Accountability

Budgetary Accounting

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 operating budget for the fiscal year commencing the following January 1. The operating 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 adopted through passage of an ordinance.
- 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. State statutes stipulate that expenditures may not exceed budgeted appropriations at the fund level.

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

Note 2: Stewardship, Compliance and Accountability (Continued)

Budgetary Accounting (Continued)

- Budgets are legally adopted for all funds of the City. Fiduciary fund budgets have not been presented in the financial statements. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary funds are presented on a non-GAAP budgetary basis. Debt principal is recognized as an expenditure for budgetary purposes. Capital outlay is budgeted as an expenditure, and depreciation and amortization are not budgeted.

- All appropriations lapse at year end.

Supplementary Information

City of Victor, Colorado
 Budgetary Comparison Schedule
 Capital Projects Fund
 For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues			
Grants			
State Grants	\$ 629,714	\$ 178,913	\$ (450,801)
Other Grants	89,704	57,484	(32,220)
Investment Income	140,000	162,154	22,154
Total Revenues	859,418	398,551	(460,867)
Expenditures			
General Improvements			
Improvements	460,504	144,824	315,680
Equipment	119,500	292,193	(172,693)
Raw Water			
Improvements	360,000	-	360,000
Treated Water			
Improvements	70,000	-	70,000
Equipment	30,000	-	30,000
Wastewater			
Improvements	210,914	-	210,914
Total Expenses	1,250,918	437,017	813,901
Excess of Revenues Over (Under) Expenditures	(391,500)	(38,466)	353,034
Other Financing Sources (Uses)			
Transfers In	450,000	425,000	(25,000)
Transfers Out	-	(184,795)	(184,795)
Total Other Financing Sources (Uses)	450,000	240,205	(209,795)
Net Change in Fund Balance	58,500	201,739	143,239
Fund Balance, Beginning of Year	2,487,824	2,614,780	126,956
Fund Balance, End of Year	\$ 2,546,324	\$ 2,816,519	\$ 270,195

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

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 4,000	\$ 4,000	\$ 4,570	\$ 570
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>4,570</u>	<u>570</u>
Net Change in Fund Balance	4,000	4,000	4,570	570
Fund Balance, Beginning of Year	<u>35,435</u>	<u>37,275</u>	<u>37,275</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 39,435</u>	<u>\$ 41,275</u>	<u>\$ 41,845</u>	<u>\$ 570</u>

City of Victor, Colorado
Budgetary Comparison Schedule
Utility Fund
For the Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services			
Raw Water			
Sales	\$ 1,800,000	\$ 1,705,143	\$ (94,857)
Wheeling and Storage Fees	25,000	48,170	23,170
Miscellaneous Sales	211,671	211,671	-
Treated Water			
Residential Sales	72,000	97,728	25,728
Commercial Sales	12,500	(9,426)	(21,926)
Capital Replacement Fees	21,000	21,685	685
Wastewater Sales			
Residential Sales	117,600	121,442	3,842
Commercial Sales	26,600	23,190	(3,410)
Capital Replacement Fees	13,000	13,090	90
Liquid Waste Disposal Fees	30,000	41,119	11,119
Interest Income	2,095	674	(1,421)
Transfers In	-	184,795	184,795
	<u>2,331,466</u>	<u>2,459,281</u>	<u>127,815</u>
Expenditures			
General and Administration	443,199	445,038	(1,839)
Operations and Maintenance			
Raw Water	288,671	295,406	(6,735)
Treated Water	114,925	98,386	16,539
Wastewater	125,149	116,176	8,973
Capital Outlay	-	184,795	(184,795)
Transfers Out	1,250,000	1,225,000	25,000
	<u>2,221,944</u>	<u>2,364,801</u>	<u>(142,857)</u>
Change in Net Position, Budgetary Basis	<u>\$ 109,522</u>	94,480	<u>\$ (15,042)</u>
Adjustments to GAAP Basis			
Loss on Sale of Assets		(6,408)	
Capital Outlay		184,795	
Depreciation Expense		(326,519)	
Change in Net Position, GAAP Basis		<u>\$ (53,652)</u>	

Compliance Section

State Compliance

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

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Victor
		YEAR ENDING : December 31, 2024
This Information From The Records Of (example - City of _ or County of _ City of Victor, Colorado	Prepared By: Phone:	Lorraine Trotter, Professional Mgmt Solutions 303-910-9197

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	208,384
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	6,054
2. General fund appropriations	276,225	b. Snow and ice removal	51,151
3. Other local imposts (from page 2)	8,150	c. Other	0
4. Miscellaneous local receipts (from page 2)	1,532	d. Total (a. through c.)	57,205
5. Transfers from toll facilities		4. General administration & miscellaneous	44,520
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	4,238
a. Bonds - Original Issues		6. Total (1 through 5)	314,347
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	285,907	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	28,441	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	314,348	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	314,347

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

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	314,348	314,348		0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 31, 2024

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	380
1. Sales Taxes	0	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	
5. Specific Ownership &/or Other	8,150	g. Other Mis County Road & Bridge Tax	1,152
6. Total (1. through 5.)	8,150	h. Other	
c. Total (a. + b.)	8,150	i. Total (a. through h.)	1,532
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	23,816	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	2,182	d. Federal Transit Admin	
d. Other (Specify) Police Grant	2,443	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	4,625	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	28,441	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

Notes and Comments: