

TOWN OF GYPSUM, COLORADO

FINANCIAL STATEMENTS
AND
AUDITOR'S REPORT

DECEMBER 31, 2024

TOWN OF GYPSUM, COLORADO
FOR THE YEAR ENDED
December 31, 2024

TOWN COUNCIL

Steve Carver	–	Mayor
Tom Edwards	–	Mayor Pro-Tem
Bill Baxter	–	Council Member
Kathleen Brendza	–	Council member
Scott Green	–	Council Member
Chris Huffman	–	Council Member
Marisa Sato	–	Council Member

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The Honorable Mayor and Members
of the Town Council
Gypsum, Colorado

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the Fiduciary Fund of the Town of Gypsum as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town of Gypsum's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the Fiduciary Fund of the Town of Gypsum as of December 31, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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. 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 Town of Gypsum 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 Town of Gypsum'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism through 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 Town of Gypsum'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Gypsum's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to 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, listed as required supplementary information 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 accounting 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 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 Town of Gypsum's basic financial statements. The combining and individual fund financial statements and schedules, and the Local Highway Finance Report, which are listed in the table of contents are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material aspects, in relation to the basic financial statements taken as a whole.



MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
July 14, 2025

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Gypsum was organized in 1911, under provisions of Colorado State Statutes. The provisions of its home rule charter that was adopted in 1982 currently govern the town. The Town operates under a Council-Mayoral form of government and provides the following services: general and administrative services, planning and zoning, building inspection, capital improvements, streets and alleys, parks and recreation, golf course operations, trash removal, and water and sewer systems. An elected Mayor and Town Council govern the Town and are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes.

The discussion and analysis of the Town of Gypsum's financial performance provides an overall review of the Town's financial activities for the fiscal year. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the Town's overall financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended December 31, 2024 are as follows:

- In total, the Town's *overall* net position increased \$685,947 or <1% from the previous fiscal year. The overall net position is an accumulation of the entire Town's activities. The Governmental Activities decrease of \$4,335,174 was primarily due to major street renovations taking place in the current year. The Enterprise Activities increase of \$5,021,121 was the result of development fees and unrestricted earnings on cash reserves. The increase will be used to grow net position to fund future major capital projects.
- The Town's Governmental Activities General Revenues accounted for \$15,823,007 or 76% of all revenues. These general revenues include taxes, grants, unrestricted revenue from general interest and other revenues not related to specific programs. Program specific revenues, in the form of charges for services and sales, as well as program specific grants and contributions, accounted for \$5,089,109 or 24% of the Town's total revenues of \$20,912,116.
- Governmental Activities for the Town had \$25,247,290 in expenses, of which \$3,974,848 were offset by program specific charges for services and sales, \$626,108 by operating grants and capital grants and contributions totaling \$488,153.
- In the Town's business-type (utility enterprise) activities, fiscal year revenues exceed expenses by \$5,021,121 thus increasing the activity's net position to \$67,055,730.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and *other supplementary information*. These statements are organized so the reader can understand the Town of Gypsum as a financial whole, or as an entire operating activity. The basic financial statements include two types of information on the same statement that present different views of the Town.

- *Government-wide financial statements* that provide both *long-term* and *short-term* information about the Town's *overall* financial status.
- *Fund financial statements* that focus on *individual parts* of the Town government, reporting the Town's operations *in more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Additional supplemental information has also been included to enhance the readers understanding of the report.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024

REPORTING THE TOWN AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used by the Town to provide programs and activities, the view of the Town as a whole looks at all financial transactions and asks the question, "How did we do financially during the current fiscal year?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The bases of accounting take into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of these government-wide financial statements is on the overall financial position and activities of the Town. These financial statements are constructed around the concept of a primary government, the Town, except for fiduciary funds. The statement of net position and statement of activities provide information about the activities of the whole Town, presenting both an aggregate view of the Town's finances and a longer-term view of those finances.

The statement of net position and the statement of activities report the Town's net position and changes in those assets. This change in net position is important because it identifies whether the financial position of the Town has improved or diminished for the Town as a whole. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the Town's property tax base, current property tax laws, statutorily required reserves, facility conditions, and other factors.

In the statement of net position and the statement of activities, the Town is divided into two distinct kinds of activities:

Governmental Activities – Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. Most of the Town's programs and services are reported here including general government activities, community development, public safety, streets and public works, culture and recreation, as well as debt service charges.

Business-Type Activities – Business-type activities are financed by some degree by charging external parties for the goods or services they acquire. The Town's enterprise funds for water, sewer and sanitation utilities are reported as business-type activities as the service is provided on a charge for goods or services basis to recover the expenses of the goods and services provided.

FUND FINANCIAL STATEMENTS

Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about each of the Town's major funds. For the Town of Gypsum, the General Fund is the most significant fund. The Town uses many funds to account for a multitude of financial transactions. The Town's major governmental funds include the General Fund and Special Revenue Funds (which are the Conservation Trust Fund, Parks and Recreation Fund, Highway 6 Devolution Fund and American Rescue Fund). The Town's proprietary, or enterprise, funds include the Water Fund, the Sewer Fund and the Sanitation Fund. The remaining fiduciary (Custodial Fund) statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the reporting entity. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the Town rather than the Town as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024

FUND FINANCIAL STATEMENTS -- CONTINUED

The Town's fund financial statements are divided into three broad categories; namely (1) governmental funds; (2) proprietary funds; and, (3) fiduciary funds.

Governmental Funds – The Town's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance the Town's programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements. The Town maintains the following governmental funds:

General Fund – used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

Special Revenue Funds – used to account for proceeds of resources that are restricted or committed for purposes other than debt service or capital projects. The special revenue funds include the following:

Conservation Trust Fund – accounts for funds received and restricted for use in parks and recreation acquisition, development and maintenance pursuant to Colorado Revised Statutes.

Parks and Recreation Fund – accounts for funds used for expenditure for parks and recreation, including the Town's golf course.

Highway 6 Devolution Fund – accounts for funds restricted in use for expenditure for maintenance of 5.7 miles of Highway 6 located within the Town's limits.

American Rescue Fund – accounts for American Rescue Plan-Covid Relief emergency funding restricted in use for expenditure of infrastructure capital improvements. All remaining monies were expended in 2024 and the fund has been closed.

Proprietary Funds – The enterprise funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same. These funds are established to account for operations that are financed and operated in a manner similar to private enterprise, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The proprietary (enterprise) funds include the following:

Water Fund – accounts for activities related to water services to the citizens of the Town.

Sewer Fund – accounts for activities related to the sewage treatment facilities and collections lines.

Sanitation Fund – accounts for activities related to trash collection and disposal.

Fiduciary Funds – Fiduciary funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, or other governmental units and funds. The fiduciary funds include the following:

Custodial Funds – The custodial fund accounts for monies maintained by the Town on behalf of the Gypsum Recreation Center Capital Committee. The committee is made up of members from the Town of Gypsum and the Mountain Recreation District, but is fiscally independent of these two governmental entities. The monies are used for ongoing capital maintenance and improvement of the Gypsum Recreation Center as approved by the committee. Since the resources are not available to support the Town's own programs these are not reflected in the governmental activities financial statements.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024

THE TOWN AS A WHOLE

The perspective of the statement of net position is of the Town as a whole. Following is a summary of the Town's net position for the current and prior fiscal year.

<i>(In Thousands)</i>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>ASSETS:</u>						
Current and Other Assets	\$ 21,661	\$ 23,621	\$ 25,575	\$ 18,515	\$ 47,236	\$ 42,136
Other Non-Current Assets	72	248	289	149	361	397
Restricted Cash	12,190	11,505	87,488	17	99,678	11,522
Capital Assets, Net	45,670	47,986	50,131	48,519	95,801	96,505
ROU Assets, Net	324	275	-	-	324	275
Total Assets	<u>79,917</u>	<u>83,635</u>	<u>163,483</u>	<u>67,200</u>	<u>243,400</u>	<u>150,835</u>
<u>LIABILITIES:</u>						
Current & Other Liabilities	2,577	2,222	4,406	3,035	6,983	5,257
Long-term Liabilities	1,157	1,325	92,022	2,131	93,179	3,456
Total Liabilities	<u>3,734</u>	<u>3,547</u>	<u>96,428</u>	<u>5,166</u>	<u>100,162</u>	<u>8,713</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>						
Property Taxes	1,402	1,058	-	-	1,402	1,058
Related to Leases	415	329	-	-	415	329
Total Deferred Inflows	<u>1,817</u>	<u>1,387</u>	<u>-</u>	<u>-</u>	<u>1,817</u>	<u>1,387</u>
<u>NET POSITION:</u>						
Invested in Capital Assets, Net of Related Debt	44,728	46,865	45,618	31,525	90,346	78,390
Restricted	12,918	12,080	87,488	17	100,406	12,097
Unrestricted	16,720	19,756	(66,051)	30,492	(49,331)	50,248
Total Net Position	<u>\$ 74,366</u>	<u>\$ 78,701</u>	<u>\$ 67,055</u>	<u>\$ 62,034</u>	<u>\$141,421</u>	<u>\$140,735</u>

As indicated earlier, net position may serve over time as a useful indicator of the Town's financial health. The Town's *overall* assets exceeded its liabilities and deferred inflows by \$141 million at December 31, 2024.

By far the largest portion of the Town's Net Position (64%) reflects its net investment of \$90 million in capital assets less the related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town'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.

A portion of the Town's Net Position, \$100 million represents resources that are subject to restrictions as to how they may be used; this includes statutorily required TABOR emergency reserves and monies restricted for capital improvements, community enhancement and conservation trust purposes.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024

THE TOWN AS A WHOLE -- CONTINUED

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in the overall change in net assets for the fiscal year 2024:

<i>(In Thousands)</i>	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>REVENUES:</u>						
Program Revenues:						
Charges for Services/Sales	\$ 3,975	\$ 2,813	\$ 5,780	\$ 4,531	\$ 9,755	\$ 7,344
Operating Grants & Contrib.	626	445	-	-	626	445
Capital Grants & Contrib.	488	1,074	2,920	1,673	3,408	2,747
Total Program Revenues	<u>5,089</u>	<u>4,332</u>	<u>8,700</u>	<u>6,204</u>	<u>13,789</u>	<u>10,536</u>
General Revenues and Transfers:						
Taxes	13,288	12,766	-	605	13,288	13,371
Intergovernmental Revenue	1,121	883	-	-	1,121	883
Interest/Investment Earnings	1,721	1,632	1,938	773	3,659	2,405
Proceeds ROU Assets	-	179	-	-	-	179
Gain on Asset Disposal	439	-	-	-	439	-
Transfers	<u>(746)</u>	<u>(450)</u>	<u>746</u>	<u>450</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers	<u>15,823</u>	<u>15,010</u>	<u>2,684</u>	<u>1,828</u>	<u>18,507</u>	<u>16,838</u>
Total Revenues	<u>20,912</u>	<u>19,342</u>	<u>11,384</u>	<u>8,032</u>	<u>32,296</u>	<u>27,374</u>
<u>PROGRAM EXPENSES:</u>						
General Government	3,742	3,500	-	-	3,742	3,500
Community Development	1,710	1,377	-	-	1,710	1,377
Public Safety	1,915	1,821	-	-	1,915	1,821
Streets & Public Works	13,521	5,339	-	-	13,521	5,339
Culture & Recreation	4,192	3,301	-	-	4,192	3,301
Economic Development	142	444	-	-	142	444
Interest - Gen'l Obligations	25	31	-	-	25	31
Water Utility	-	-	2,976	2,319	2,976	2,319
Sewer Utility	-	-	2,997	1,738	2,997	1,738
Sanitation Utility	<u>-</u>	<u>-</u>	<u>390</u>	<u>338</u>	<u>390</u>	<u>338</u>
Total Expenses	<u>25,247</u>	<u>15,813</u>	<u>6,363</u>	<u>4,395</u>	<u>31,610</u>	<u>20,208</u>
INCREASE (DECREASE)						
IN NET POSITION	<u>\$ (4,335)</u>	<u>\$ 3,529</u>	<u>\$ 5,021</u>	<u>\$ 3,567</u>	<u>\$ 686</u>	<u>\$ 7,166</u>

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024

THE TOWN AS A WHOLE -- CONTINUED

Governmental Activities

Revenues

The Town's governmental activities general revenues increased approximately \$813 thousand, or 5% from the prior year. Notable increases occurred in general property tax, sales tax collections and unrestricted interest earnings.

Expenses

Program expenses for governmental activities increased approximately \$9.4 million, or 60% from the prior fiscal year. Increases occurred in salaries and benefits, major streets repairs and renovations, golf course maintenance and overall general government administrative costs such as professional services and utilities.

As indicated above, the statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table summarizes the information from the statement of activities, reflecting the total cost of program services and the remaining net cost of program services supported by taxes and other general revenues:

<i>(In Thousands)</i>	<u>Total Cost of Service</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
General Government	\$ 3,742	\$ 3,500	\$ 2,610	\$ 2,133
Community Development	1,710	1,377	1,536	1,309
Public Safety	1,915	1,821	1,806	1,712
Streets & Public Works	13,521	5,339	11,873	4,475
Culture & Recreation	4,192	3,301	2,435	1,784
Economic Development	142	444	(127)	37
Interest - General Obligation Debt	42	31	25	31
Total Expenses	<u>\$ 25,247</u>	<u>\$ 15,813</u>	<u>\$ 20,158</u>	<u>\$ 11,481</u>

The dependence on general revenues for governmental activities is essential. Approximately 80% of fiscal 2024 program services were supported through taxes and other general revenues, and 73% in 2023.

Business-Type Activities – The results of operations of the business-type activity indicate that the utility funds are generating enough revenues to be self-sustaining. The table below shows an increase in net position of \$5,021,000. The table below shows an increase in net position of \$5,021,000. Included in this calculation is \$746,000 in general fund transfers and interest revenue of \$1,938,271:

<i>(In Thousands)</i>	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>
Operating Revenues	\$ 5,780	\$ 4,531
Capital Grants and Contributions	2,920	1,673
General Revenues	1,938	1,378
Total Revenues	<u>10,638</u>	<u>7,582</u>
Operating and Interest Expenses	<u>6,343</u>	<u>4,395</u>
Net Income (Loss), Before Capital Contributions	4,295	3,187
Transfer In (Out)	<u>746</u>	<u>450</u>
Change in Net Position	<u>\$ 5,021</u>	<u>\$ 3,637</u>

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024

THE TOWN'S FUNDS

Governmental Funds

The governmental fund level financial statements focus on how services were financed in the short-term as well as what remains for future spending. The governmental fund level financial statements are reported on the modified accrual basis of accounting. At the fund level, under the modified accrual basis of accounting, depreciable assets and their related depreciation expense are not reflected as they are not a current period financial resource or use. In addition, at the fund level, inflows from operating loans are presented as a revenue item while outflows for capital outlay and debt service principal payments are presented as an expenditure item, as these items represent current period financial resources and uses.

The General Fund ending fund balance decreased from \$20,806,313 to \$18,146,819 during the current fiscal year. The net decrease of \$2,659,494 represents the excess of current period expenses (financial uses) over current period revenues (financial sources). The ending fund balance in the amount of \$18,146,819, which includes \$1,013,338 in reserves and \$328,546 in committed items, is the amount of net resources available for future spending. The majority of financial resources are from taxes and intergovernmental revenues from state, county and local taxes.

The Conservation Trust Fund ending fund balance increased from \$38,732 to \$65,500 during the current fiscal year. The net increase of \$26,768 represents the excess of current period revenues (financial resources) over current period expenditures (financial uses). The ending fund balance of \$65,500 is the amount of net resources available for future spending. The majority of financial resources are intergovernmental revenues from state lottery proceeds.

The Parks and Recreation Fund ending fund balance increased from \$45,036 to \$67,150 during the current fiscal year. The net increase of \$22,114 represents the excess of current period revenues (financial sources) over current period expenses (financial uses). The ending fund balance of \$67,150 includes non-spendable items (pro shop inventory) that total \$55,884 leaving \$11,266 in unrestricted net resources available for future spending. The General Fund transferred \$725,000 to fund operations.

The Highway 6 Devolution Fund ending fund balance increased from \$11,252,157 to \$11,838,931. The ending fund balance of \$11,838,931 represents the amount of restricted funding to be used for future maintenance of Highway 6 infrastructure located within the Town limits.

The American Rescue Fund ending fund balance decreased from \$111,649 to \$0. The final monies committed to for future capital infrastructure projects were expended, and the fund was closed.

Proprietary Funds

The proprietary fund level financial statements, as discussed above, use the same basis of accounting as business-type activities.

The Water Enterprise Fund ending net position increased \$2,078,183 from \$41,392,680 to \$43,470,863.

The Sewer Enterprise Fund ending net position increased \$2,839,260 from \$20,054,645 to \$22,893,905.

The Sanitation Enterprise Fund ending net position increased \$103,678 from \$587,284 to \$690,962.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024

Proprietary Funds - Continued

Positive changes in net position reflect that the enterprise funds are currently generating enough operating and non-operating revenues to offset current year operating and non-operating expenses, while negative changes in net assets indicate that they are not. The net assets of the enterprise activities represent the amount of net resources, including capital assets, available to provide future utility services to the general public of the Town of Gypsum. Certain net assets have been restricted for future debt service in the Water Fund \$18,203 and \$87,469,683 in the Sewer Fund. Unrestricted net assets, those not restricted or invested in capital assets, that are available for future spending are \$10,353,091 in the Water Fund; and \$661,911 in the Sanitation Fund. The deficit unrestricted net assets balance in the Sewer Fund merely represents long term liabilities exceed currently available resources. Both the Water and Sewer Funds have increased fees to build fund balance and build cash reserves to finance large capital improvements in the near future.

GENERAL FUND BUDGETING HIGHLIGHTS

The Town's procedures in establishing the budgetary data reflected in the financial statements is summarized in *Note I(E)* of the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) with the exception of the Proprietary (Enterprise) Funds. The reconciliation of the budgetary differences of the Proprietary Fund to GAAP is found in *Note I(E)*.

The budgeting system of the Town uses a line-item based budget, which is designed to control line-item expenditures, but provide flexibility for overall budgetary management. During the course of fiscal 2024, the Town did not amend their General Fund budget.

General Fund Resources (Inflows)

The Town's General Fund budgetary revenues and other financing sources in the amount of \$19,126,446 exceeded budgetary expectations of \$15,172,190 by \$3,954,256. Notable positive variances occurred for sales and use tax collections, real estate transfer taxes, and interest income earned on cash reserves. Further detail of individual line-item revenues for the general fund can be found in the 'Supplemental Information' section following the notes to the financial statements.

General Fund Charges to Appropriations (Outflows)

The Town's General Fund budgetary expenditures and other financing uses of \$21,785,940 were \$5,464,806 less than the final appropriated fund balance of \$27,250,746. Savings occurred for streets and public works repairs and maintenance of the Town's infrastructure, culture and recreation activities and capital item expenditures being less than anticipated. Further detail of individual line-item expenditures for the general fund can be found in the 'Supplemental Information' section following the notes to the financial statements.

The Town Council and the Town's management continue to strive to budget appropriate amounts for each individual line item. This year's overall savings are indicative of the efforts to provide services in the most economical manner. This year's savings is primarily caused by capital projects being delayed. This year's savings will have a positive impact on future year's fund balance.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024, the Town had a total of \$96 million in capital assets, consisting of \$46 million in governmental activities and \$50 million in business-type activities. The following reflects the balances of fiscal year 2024 compared to fiscal year 2023:

<i>(In Thousands)</i>	Governmental		Business-Type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
<i>Net of Depreciation:</i>						
Land	\$ 7,541	\$ 7,659	\$ 710	\$ 710	\$ 8,251	\$ 8,369
Water Rights	-	-	13,737	13,737	13,737	13,737
Construction-in-Progress	2,130	4,333	3,053	443	5,183	4,776
Buildings	10,931	11,321	37	39	10,968	11,360
Lines, Meters, Plant	-	-	32,493	33,403	32,493	33,403
Improvements	3,150	3,278	-	-	3,150	3,278
Heavy Equipment	650	792	101	187	751	979
Office Equipment	-	3	-	-	-	3
Infrastructure	21,268	20,600	-	-	21,268	20,600
Total Capital Assets	<u>\$ 45,670</u>	<u>\$ 47,986</u>	<u>\$ 50,131</u>	<u>\$ 48,519</u>	<u>\$ 95,801</u>	<u>\$ 96,505</u>

Debt

At December 31, 2024 the Town had a total of \$92,927,960 of outstanding long-term obligations, of which \$945,467 is carried in governmental activities and \$91,982,493 is carried in business-type activities. Additional information regarding debt service requirements is found in *Note 5* of the financial statements.

MAJOR INITIATIVES

In 2024, the bulk of the Town's general fund capital expenditures were invested in roadway improvement projects. A roundabout was constructed on the north side of I-70. Highway 6 was resurfaced from the School Side roundabout east to the Town boundary. Eagle Street, from Red Hill Drive to the cemetery, was repaved complete with a sidewalk and on-street parking. Funds were invested in design for the railway underpass and the airport interchange. Other projects included a minor remodel of town hall, the replacement of the upper irrigation pump station at the Gypsum Creek Golf Course and the continuation of the Gypsum Creek Recreation area master planning effort.

Major projects budgeted in the Enterprise Fund Funds included starting construction on the new Wastewater Treatment Plant (Sewer Fund), SCADA improvements and water tank repairs (Water Fund), and the purchase of a new garbage truck (Sanitation Fund).

Gypsum was allocated \$1,853,704 from the American Rescue Plan Act of 2021 as a Non-Entitlement Unit of Government. The Town spent these funds in 2022, 2023, and 2024 on the wastewater treatment plant upgrade project through the engagement of Dewberry Engineering, for project design and construction contract management, and MWH Constructors, for project construction management.

In 2025, water user fees were increased by 2.0 % to keep pace with inflation while sewer rates increased by 40%, in the 3rd out of 4 scheduled rate increases, approved by ordinance in 2022. The final approved sewer fee increase (25%) will be implemented on January 1, 2026.

TOWN OF GYPSUM, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2024

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

Since 1990, the Town's population has increased from 1,750 to approximately 9,300. The Town's revenues have grown with population while also benefiting from out-of-town revenues through sources such as the airport. Through prudent spending, the Town accumulated a large General Fund balance. In 2024, the Town began an initiative to invest this fund balance on several major capital projects.

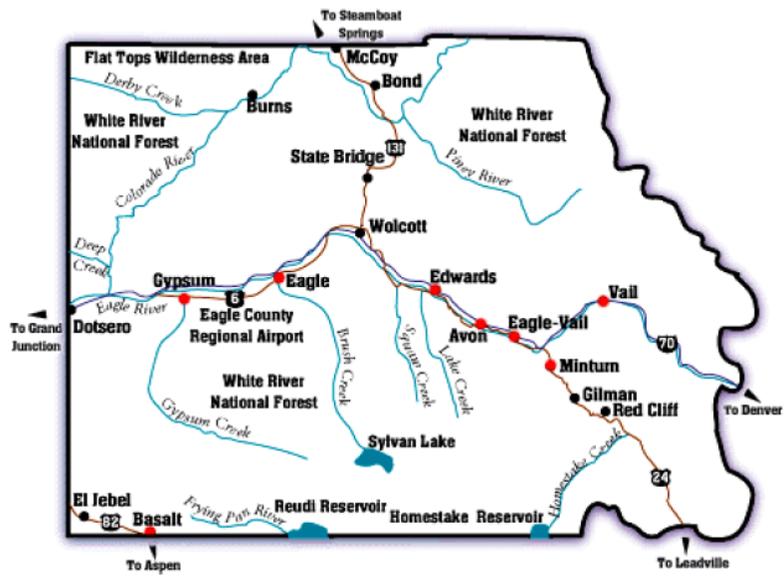
Economic conditions in the coming year are uncertain. Potential economic headwinds include tariffs, federal spending cuts, wars in Ukraine and the Middle East. Economic drivers could include deregulation, a tightening labor market, and disposable income growth. At the close of 2024, nationwide inflation was 3.1%, over 50% higher than the Federal Reserve's target maximum of 2%. Given these uncertainties the Town budgeted flat revenue growth in 2025.

The Town of will continue to closely monitor its financial position throughout 2024. Continued fiscal discipline and scrutiny of initiatives will ensure that future annual operational expenditures remain in balance with future revenues in light of overall local and national economic conditions.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact the:

Town Gypsum, Colorado
P.O. Box 130
Gypsum, CO 81637
Phone: (970) 524-7514
Fax: (970) 524-7522
www.townofgypsum.com



GOVERNMENT - WIDE FINANCIAL STATEMENTS

TOWN OF GYPSUM, COLORADO

STATEMENT OF NET POSITION

December 31, 2024

	Governmental Activities	Business-type Activities	Totals
Current Assets:			
Cash and Investments	\$ 19,839,295	\$ 24,937,275	\$ 44,776,570
Receivables:			
Property Taxes	1,402,103	-	1,402,103
Accounts Receivable	264,474	569,082	833,566
Leases Receivable (NPV)	99,071	-	99,071
Other Receivables	-	31,079	31,079
Other Assets	55,884	38,265	94,149
Total Current Assets	21,660,827	25,575,701	47,236,528
Non-Current Assets:			
Restricted Cash Balance	12,189,769	87,487,886	99,677,655
Other Prepaid Expenses	-	288,773	288,773
Lease Receivable (NPV)	323,747	-	323,747
Capital Assets:			
Non-Depreciable	9,671,351	14,446,696	24,118,047
Depreciable, Net	35,998,946	35,683,785	71,682,731
Right-to-Use (ROU) Assets, Net	72,535	-	72,535
Total Non-Current Assets	58,256,348	137,907,140	196,163,488
TOTAL ASSETS	79,917,175	163,482,841	243,400,016
Liabilities:			
Accounts Payable	800,050	1,651,378	2,451,428
Accrued Interest Payable	1,964	627,147	629,111
Accrued Wages & Related Expenses	263,253	95,344	358,597
Other Liabilities	1,175,799	-	1,175,799
Unearned Revenue	-	1,932,890	1,932,890
Long-term Debt:			
Portion Due or Payable within One Year:			
Accrued Vacation & Sick Pay	119,788	34,464	154,252
Lease Commitments	36,753	-	36,753
Lease Purchase – 2017 COP Refinance	180,015	63,484	243,499
Portion Due or Payable after One Year:			
Accrued Vacation & Sick Pay	359,363	103,394	462,757
Lease Commitments	32,366	-	32,366
Intergovernmental Loan	-	1,737,731	1,737,731
Lease Purchase – 2017 COP Refinance	765,452	101,130	866,582
Sewer Revenue Bonds, Net of Premium	-	90,080,148	90,080,148
Total Liabilities	3,734,802	96,427,111	100,161,913
Deferred Inflow of Resources:			
From Property Taxes	1,402,103	-	1,402,103
Related to Leases	414,738	-	414,738
Total Deferred Inflow of Resources	1,816,841	-	1,816,841
Net Position			
Invested in Capital Assets, Net of Related Debt	44,728,246	45,617,671	90,345,917
Restricted for Emergencies	728,000	-	728,000
Restricted – Other (see <i>Note 1S</i>)	12,189,769	87,487,886	99,677,655
Unrestricted	16,719,517	(66,049,827)	(49,330,310)
TOTAL NET POSITION	\$ 74,365,532	\$ 67,055,730	\$ 141,421,262

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2024

	PROGRAM REVENUES		
EXPENSES	Charges For Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTION/PROGRAM ACTIVITIES			
PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES:			
General Government	\$ 3,745,427	\$ 763,772	\$ 368,257
Community Development	1,709,757	173,329	-
Public Safety	1,914,844	108,551	-
Streets and Public Works	13,520,923	1,021,968	626,108
Culture and Recreation	4,192,103	1,637,520	-
Economic Development	141,850	269,708	-
Interest on General Long-term Debt	25,386	-	-
TOTAL GOVERNMENTAL ACTIVITIES	25,247,290	3,974,848	626,108
BUSINESS-TYPE ACTIVITIES:			
Water Utility	2,976,287	2,707,803	1,445,377
Sewer Utility	2,997,262	2,605,919	1,475,007
Sanitation Utility	390,084	466,038	-
TOTAL BUSINESS-TYPE ACTIVITIES	6,363,633	5,779,760	2,920,384
TOTAL PRIMARY GOVERNMENT	\$ 31,610,923	\$ 9,754,608	\$ 626,108

GENERAL REVENUES AND TRANSFERS:

Taxes:

- Property Taxes, Levied for General Purposes
- Specific Ownership Taxes, for General Purposes
- Sales and Use Tax
- Franchise Tax
- Real-Estate Transfer Tax

Grants and Entitlements Not Restricted to Specific Programs:

- Intergovernmental – County Sales Tax
- Intergovernmental – Cigarette Tax
- Miscellaneous Fees and Taxes
- Unrestricted Interest and Investment Earnings
- Transfers In (Out)
- Gain/ (Loss) on Asset Disposition

Total General Revenues and Transfers

Change in Net Position

NET POSITION – BEGINNING OF YEAR

NET POSITION – END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Governmental Activities	Business-Type Activities	Total
\$ (2,610,398)	-	\$ (2,610,398)
(1,536,428)	-	(1,536,428)
(1,806,293)	-	(1,806,293)
(11,872,847)	-	(11,872,847)
(2,434,687)	-	(2,434,687)
127,858	-	127,858
<u>(25,386)</u>	-	<u>(25,386)</u>
<u>(20,158,181)</u>	-	<u>(20,158,181)</u>
-	\$ 1,176,893	1,176,893
-	1,083,664	1,083,664
-	<u>75,954</u>	<u>75,954</u>
-	<u>2,336,511</u>	<u>2,336,511</u>
<u>(20,158,181)</u>	<u>2,336,511</u>	<u>(17,821,670)</u>
1,221,519	-	1,221,519
51,684	-	51,684
10,368,209	-	10,368,209
317,849	-	317,849
1,328,772	-	1,328,772
392,714	-	392,714
728,373	-	728,373
452	-	452
1,720,471	1,938,271	3,658,742
(746,339)	746,339	-
<u>439,303</u>	-	<u>439,303</u>
<u>15,823,007</u>	<u>2,684,610</u>	<u>18,507,617</u>
(4,335,174)	5,021,121	685,947
<u>78,700,706</u>	<u>62,034,609</u>	<u>140,735,315</u>
<u>\$ 74,365,532</u>	<u>\$ 67,055,730</u>	<u>\$ 141,421,262</u>

FUND FINANCIAL STATEMENTS

TOWN OF GYPSUM, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

	General Fund	Conservation Trust Fund	Parks and Recreation Fund
<u>ASSETS:</u>			
Cash and Investments	\$ 20,061,116	\$ 65,500	\$ 63,517
Receivables – Net:			
Property Taxes	1,402,103	-	-
Accounts Receivable	264,474	-	-
Lease Receivable (NPV)	129,912	-	292,906
Other Assets	-	-	55,884
 Total Assets	 \$ 21,857,605	 \$ 65,500	 \$ 412,307
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>			
Liabilities:			
Accounts Payable	\$ 780,679	\$ -	\$ 19,371
Accrued Wages & Related Expenses	235,469	-	27,784
Other Liabilities	1,170,703	-	5,096
 Total Liabilities	 2,186,851	 -	 52,251
 Deferred Inflows of Resources:			
Unavailable Revenues			
From Property Taxes	1,402,103	-	-
Related to Leases	121,832	-	292,906
 Total Deferred Inflows	 1,523,935	 -	 292,906
 Fund Balances:			
Nonspendable	-	-	55,884
Restricted for -			
Enhancement Fund	90,051	-	-
Conservation Trust	-	65,500	-
Emergency Reserves	728,000	-	-
Highway 6 Devolution	-	-	-
Capital Projects	195,287	-	-
Committed for -			
Wildlife Mitigation	328,546	-	-
Unassigned	16,804,935	-	11,266
Total Fund Balance	18,146,819	65,500	67,150
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ 21,857,605	 \$ 65,500	 \$ 412,307

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

Highway 6 Devolution Fund	American Rescue Fund	Total Governmental Funds
\$ 11,838,931	\$ -	\$ 32,029,064
-	-	1,402,103
-	-	264,474
-	-	422,818
-	-	55,884
<u>\$ 11,838,931</u>	<u>\$ -</u>	<u>\$ 34,174,343</u>
\$ -	\$ -	\$ 800,050
-	-	263,253
-	-	1,175,799
-	-	2,239,102
-	-	1,402,103
-	-	414,738
-	-	1,816,841
-	-	55,884
-	-	90,051
-	-	65,500
-	-	728,000
11,838,931	-	11,838,931
-	-	195,287
-	-	328,546
-	-	16,816,201
<u>11,838,931</u>	<u>-</u>	<u>30,118,400</u>
<u>\$ 11,838,931</u>	<u>\$ -</u>	<u>\$ 34,174,343</u>

TOWN OF GYPSUM, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2024

TOTAL GOVERNMENTAL FUND BALANCES \$ 30,118,400

Amounts reported for governmental activities on the statement of net position is different because of the following:

Capital and right-of-use assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds.

Governmental Capital Assets	\$ 98,289,198	
Less Accumulated Depreciation	(52,618,901)	
Right-of-Use Assets	187,134	
Less Accumulated Amortization	<u>(114,599)</u>	45,742,832

Some liabilities are not due and payable in the current year and therefore, are not reported in the governmental funds:

Accrued Interest Payable	\$ (1,964)	
Accrued Compensated Absences	(479,150)	
Current Portion of Lease Commitments	(36,753)	
Current Portion of Long-term Liabilities	<u>(180,015)</u>	(697,882)

Long-term liabilities are not due and payable in the current year-end and therefore, are not reported in the governmental funds.

Lease Commitments	\$ (32,366)	
Long-term Liabilities	<u>(765,452)</u>	<u>(797,818)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 74,365,532

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	<u>General Fund</u>	<u>Conservation Trust Fund</u>	<u>Parks and Recreation Fund</u>
<u>Revenues:</u>			
Taxes	\$ 14,409,572	\$ -	\$ -
Licenses and Permits	41,919	-	-
Intergovernmental	626,108	48,696	-
Charges for Services	67,473	-	1,637,520
Community Development	1,920,877	-	-
Miscellaneous	378,259	-	-
Sale of Fixed Assets	564,533	-	-
Interest Income	<u>1,117,705</u>	<u>3,136</u>	<u>362</u>
Total Revenues	<u>19,126,446</u>	<u>51,832</u>	<u>1,637,882</u>
<u>Expenditures:</u>			
General Government	3,422,914	-	-
Community Development	1,653,611	-	-
Public Safety	1,476,422	-	-
Streets and Public Works	2,067,811	-	-
Culture and Recreation	1,599,029	25,064	1,858,412
Economic Development	141,850	-	-
Capital Outlay	9,952,964	-	282,016
Debt Service:			
Principal	-	-	172,393
Interest	<u>-</u>	<u>-</u>	<u>27,947</u>
Total Expenditures	<u>20,314,601</u>	<u>25,064</u>	<u>2,340,768</u>
Excess Revenues Over (Under) Expenditures	(1,188,155)	26,768	(702,886)
<u>Other Financing Sources and (Uses):</u>			
Transfers from Other Funds	-	-	725,000
Transfers (to) Other Funds	<u>(1,471,339)</u>	<u>-</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(2,659,494)	26,768	22,114
Fund Balances – Beginning	<u>20,806,313</u>	<u>38,732</u>	<u>45,036</u>
Fund Balances – Ending	<u>\$ 18,146,819</u>	<u>\$ 65,500</u>	<u>\$ 67,150</u>

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

<u>Highway 6 Devolution Fund</u>	<u>American Rescue Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 14,409,572
-	-	41,919
-	368,257	1,043,061
-	-	1,704,993
-	-	1,920,877
-	-	378,259
-	-	564,533
<u>586,774</u>	<u>12,494</u>	<u>1,720,471</u>
<u>586,774</u>	<u>380,751</u>	<u>21,783,685</u>
-	-	3,422,914
-	-	1,653,611
-	-	1,476,422
-	-	2,067,811
-	-	3,482,505
-	-	141,850
-	492,400	10,727,380
-	-	172,393
<u>-</u>	<u>-</u>	<u>27,947</u>
<u>-</u>	<u>492,400</u>	<u>23,172,833</u>
586,774	(111,649)	(1,389,148)
-	-	725,000
<u>-</u>	<u>-</u>	<u>(1,471,339)</u>
586,774	(111,649)	(2,135,487)
<u>11,252,157</u>	<u>111,649</u>	<u>32,253,887</u>
<u>\$ 11,838,931</u>	<u>\$ -</u>	<u>\$ 30,118,400</u>

TOWN OF GYPSUM, COLORADO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2024

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ (2,135,487)

Amounts reported for governmental activities on the Statement of Activities are different because of the following:

Governmental Funds report capital outlays as expenditures and contributed infrastructure is not recorded; however, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount by which fixed asset additions exceeded depreciation.

Capital Outlay	\$ 1,077,676	
Depreciation	<u>(3,267,775)</u>	(2,190,099)

Governmental funds report lease activity as expenditures; however, on the Statement of Activities the right-of-use assets are recognized at net present value and the related lease commitments are recognized over the term of the leases, with applicable adjustments to lease expense. This is the change in the net present value (NPV).

ROU SBITA Additions	\$ 20,037	
ROU SBITA NPV Adj.	(44,851)	
ROU SBITA Commitments Repay	<u>30,853</u>	6,039

The net book value of asset dispositions are not reported in the governmental funds as they are not current financial uses. This is the amount by which the net book value of assets disposed exceeded proceeds, if applicable, in the current year. (125,230)

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds, but issuing long-term debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 172,393

Compensated absences not payable from current resources are not reported as expenditures of the current year. In the Statement of Activities, these costs represent expenses of the current year. This is the amount total accrued leave increased this year. (65,351)

Interest expense is recognized as an expenditure in the governmental funds when due, and this requires the use of current financial resources; however, in the Statement of Activities interest expense is recognized as the interest accrues regardless of when due. This is the amount by which accrued interest decreased. 2,561

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (4,335,174)

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2024

	Business-Type Activities			Total
	Enterprise Funds			
	Water Fund	Sewer Fund	Sanitation Fund	
<u>ASSETS AND DEFERRED</u>				
<u>OUTFLOWS OF RESOURCES:</u>				
Current Assets:				
Cash and Investments	\$ 11,525,999	\$ 12,771,618	\$ 639,658	\$ 24,937,275
Receivables – Net				
Accounts Receivable	249,595	269,742	49,745	569,082
Other Receivables	24,060	7,019	-	31,079
Prepaid Expense	38,265	-	-	38,265
Total Current Assets	<u>11,837,919</u>	<u>13,048,379</u>	<u>689,403</u>	<u>25,575,701</u>
Non-Current Assets:				
Restricted Cash Balances	18,203	87,469,683	-	87,487,886
Prepaid Subscriptions	154,323	-	-	154,323
Prepaid Water Lease Costs	134,450	-	-	134,450
Capital Assets, Net of				
Non-Depreciable	14,318,703	3,181,156	-	17,499,859
Depreciable, Net	<u>20,683,211</u>	<u>11,918,360</u>	<u>29,051</u>	<u>32,630,622</u>
Total Non-Current Assets	<u>35,308,890</u>	<u>102,569,199</u>	<u>29,051</u>	<u>137,907,140</u>
 Total Assets	 <u>\$ 47,146,809</u>	 <u>\$ 115,617,578</u>	 <u>\$ 718,454</u>	 <u>\$163,482,841</u>
<u>LIABILITIES, DEFERRED INFLOWS</u>				
<u>OF RESOURCES AND NET POSITION:</u>				
Current Liabilities:				
Accounts Payable	\$ 95,755	\$ 1,547,035	\$ 8,588	\$ 1,651,378
Accrued Interest	5,922	621,225	-	627,147
Accrued Wages and Related Expenses	59,157	27,056	9,131	95,344
Accrued Vacation and Sick Pay	18,657	13,365	2,443	34,465
Unearned Revenue	1,538,142	394,748	-	1,932,890
Current Maturities of Long-term Debt - Net	<u>63,484</u>	<u>-</u>	<u>-</u>	<u>63,484</u>
Total Current Liabilities	<u>1,781,117</u>	<u>2,603,429</u>	<u>20,162</u>	<u>4,404,708</u>
Non-Current Liabilities:				
Bonds – Net of Premium	-	90,080,148	-	90,080,148
Accrued Vacation and Sick Pay	55,968	40,096	7,330	103,394
Lease Purchase – 2017 COP Refinance	101,130	-	-	101,130
Intergovernmental Loan	<u>1,737,731</u>	<u>-</u>	<u>-</u>	<u>1,737,731</u>
Total Non-Current Liabilities	<u>1,894,829</u>	<u>90,120,244</u>	<u>7,330</u>	<u>92,022,403</u>
 Total Liabilities	 <u>3,675,946</u>	 <u>92,723,673</u>	 <u>27,492</u>	 <u>96,427,111</u>
Net Position:				
Invested in Capital Assets, Net of Related Debt	33,099,569	12,489,051	29,051	45,617,671
Restricted for Debt Service	18,203	87,469,683	-	87,487,886
Unrestricted	<u>10,353,091</u>	<u>(77,064,829)</u>	<u>661,911</u>	<u>(66,049,827)</u>
Total Net Position	<u>43,470,863</u>	<u>22,893,905</u>	<u>690,962</u>	<u>67,055,730</u>
 Total Liabilities, Deferred Inflows of Resources and Net Position	 <u>\$ 47,146,809</u>	 <u>\$ 115,617,578</u>	 <u>\$ 718,454</u>	 <u>\$163,482,841</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2024

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Sewer Fund	Sanitation Fund	
<u>OPERATING REVENUES:</u>				
Service Fees	\$ 2,599,413	\$ 2,571,371	\$ 466,038	\$ 5,636,822
Other Operating Revenues	<u>108,390</u>	<u>34,548</u>	<u>-</u>	<u>142,938</u>
Total Operating Revenues	<u>2,707,803</u>	<u>2,605,919</u>	<u>466,038</u>	<u>5,779,760</u>
<u>OPERATING EXPENSES:</u>				
System Operations:				
Salaries	714,908	325,537	50,497	1,090,942
Payroll Taxes	53,106	23,924	3,543	80,573
Employee Benefits	200,370	84,275	12,543	297,188
Utilities	48,305	16,964	-	65,269
Operating Supplies	148,457	5,610	27,833	181,900
Non-Capitalized Outlay/Repairs	402,641	42,981	-	445,622
Operations and Maintenance	233,634	543,161	54,361	831,156
System Component Upgrades	73,488	-	-	73,488
Water Purchase	39,162	-	-	39,162
Landfill Fees	-	-	93,021	93,021
Eagle River Monitoring	9,000	-	-	9,000
Depreciation	538,589	402,114	58,101	998,804
Miscellaneous	<u>22,093</u>	<u>3,281</u>	<u>-</u>	<u>25,374</u>
Total System Operations	<u>2,483,753</u>	<u>1,447,847</u>	<u>299,899</u>	<u>4,231,499</u>
Administration:				
Salaries	109,398	125,279	50,790	285,467
Payroll Taxes	7,967	9,107	3,765	20,839
Employee Benefits	31,296	35,847	14,524	81,667
Office and Billing	19,844	20,474	21,106	61,424
Dues and Permits	1,557	5,982	-	7,539
Professional Services	<u>259,176</u>	<u>11,485</u>	<u>-</u>	<u>270,661</u>
Total Administration	<u>429,238</u>	<u>208,174</u>	<u>90,185</u>	<u>727,597</u>
Total Operating Expenses	<u>2,912,991</u>	<u>1,656,021</u>	<u>390,084</u>	<u>4,959,096</u>
Operating Income (Loss)	<u>(205,188)</u>	<u>949,898</u>	<u>75,954</u>	<u>820,664</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
Tap Fees	985,880	1,475,007	-	2,460,887
Dedication Fees	459,497	-	-	459,497
Interest Income	545,856	1,364,691	27,724	1,938,271
Bond Issuance Costs	-	(720,016)	-	(720,016)
Interest Expense	<u>(63,296)</u>	<u>(621,225)</u>	<u>-</u>	<u>(684,521)</u>
Total Non-Operating Revenues (Expenses)	<u>1,927,937</u>	<u>1,498,457</u>	<u>27,724</u>	<u>3,454,118</u>
Income (Loss) Before Contributions & Transfers	1,722,749	2,448,355	103,678	4,274,782
Transfers In (Out)	<u>355,434</u>	<u>390,905</u>	<u>-</u>	<u>746,339</u>
Change in Net Position	2,078,183	2,839,260	103,678	5,021,121
Net Position – Beginning	<u>41,392,680</u>	<u>20,054,645</u>	<u>587,284</u>	<u>64,034,609</u>
Net Position – Ending	<u>\$ 43,470,863</u>	<u>\$22,893,905</u>	<u>\$ 690,962</u>	<u>\$ 67,055,730</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2024

	Business-Type Activities Enterprise Funds			Total
	Water Fund	Sewer Fund	Sanitation Fund	
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Cash Received from Customers	\$ 2,681,521	\$ 2,505,927	\$ 462,429	\$ 5,649,877
Cash Payments for Goods and Services	(1,670,037)	(794,193)	(229,919)	(2,694,149)
Cash Payments to Employees	(788,615)	(422,357)	(95,435)	(1,326,407)
Net Cash Provided (Used) by Operating Activities	<u>222,869</u>	<u>1,269,377</u>	<u>137,075</u>	<u>1,629,321</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Tap Fees	906,318	1,465,807	-	2,372,125
Additions to Property, Plant & Equipment	-	(1,085,492)	-	(1,085,492)
Water Dedication Fees	(332,563)	-	-	(332,536)
Proceeds from Bond Issuance, Net Premium	-	90,080,148	-	90,080,148
Bond Issuance Costs	-	(720,016)	-	(720,016)
Transfers In (Out)	355,434	390,905	-	746,339
Principal (Paid) on Long-term Debt	(201,495)	-	-	(201,495)
Interest (Paid) on Long-term Debt	(63,526)	-	-	(63,526)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>664,168</u>	<u>90,131,352</u>	<u>-</u>	<u>90,795,520</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Interest	<u>545,856</u>	<u>1,364,691</u>	<u>27,724</u>	<u>1,938,271</u>
Net Cash Provided (Used) by Investing Activities	<u>545,856</u>	<u>1,364,691</u>	<u>27,724</u>	<u>1,938,271</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,432,893	92,765,420	164,799	94,363,112
Cash at Beginning of Year	<u>10,111,309</u>	<u>7,475,881</u>	<u>474,859</u>	<u>18,062,049</u>
Cash at End of Year	<u>\$ 11,544,202</u>	<u>\$ 100,241,301</u>	<u>\$ 639,658</u>	<u>\$ 112,425,161</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	\$ (205,188)	\$ 949,898	\$ 75,954	\$ 820,664
Non-Cash Expenses Included in Operating Income –				
Depreciation & Amortization	538,589	402,114	58,101	998,804
Other Deferred Cost Recognition	7,400	-	-	7,400
Change in Assets and Liabilities –				
Decrease (Increase) Receivables	(26,282)	(99,992)	(3,609)	(129,883)
Decrease (Increase) Prepaid Expenses	(185,188)	-	-	(185,188)
Increase (Decrease) in Accounts Payable	57,847	8,898	777	67,522
Increase (Decrease) in Accrued Liabilities	35,691	8,459	5,852	50,002
Net Cash Provided (Used) by Operating Activities	<u>\$ 222,869</u>	<u>\$ 1,269,377</u>	<u>\$ 137,075</u>	<u>\$ 1,629,321</u>
NON-CASH FINANCING ACTIVITY:				
Infrastructure Dedications Accepted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended December 31, 2024

CUSTODIAL FUNDS

Gypsum
Recreation
Center Capital
Committee

ASSETS:

Cash	\$ <u>178,982</u>
Total Assets	\$ <u><u>178,982</u></u>

LIABILITIES :

Accounts Payable	\$ -
Total Liabilities	<u>-</u>

NET POSITION:

Held in Trust for: Capital Repairs & Maintenance	<u>178,982</u>
Total Net Position	\$ <u><u>178,982</u></u>

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

TOWN OF GYPSUM, COLORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND – GYPSUM RECREATION CENTER CAPITAL COMMITTEE
For the Year Ended December 31, 2024

Gypsum Recreation Center Capital Committee

	<u>Actual</u>
<u>ADDITIONS:</u>	
Contributions from Town of Gypsum	\$ 50,000
Contributions from Mountain Recreation District	50,000
Interest Income	7,866
Total Additions	107,866
<u>DEDUCTIONS:</u>	
Capital Repairs & Maintenance	81,773
Total Deductions	81,733
Change in Net Position	26,093
Net Position - Beginning	152,889
Net Position - Ending	\$ 178,982

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

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Gypsum are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Significant accounting policies of the Town of Gypsum are described below.

A. Financial Reporting Entity

The Town of Gypsum was organized in 1911, under provisions of the Colorado State Statutes. The provisions of its home rule charter that was adopted in 1982 currently govern the Town. The Town operates under a Council-Mayoral form of government whereby the elected Mayor and Town Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes to govern the Town.

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

Based on the criteria discussed above, the Town is not financially accountable for any other entity and, therefore, the Town's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the Town's reporting entity, nor is the Town a component unit of any other government. The Town's financial statements include the accounts of all Town operations.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the overall primary government, excluding fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the Town at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town's governmental activities.

In the statement of activities, direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from general revenues of the Town. The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from current year operations.

FUND FINANCIAL STATEMENTS

During the fiscal year, the Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if applicable, are aggregated and presented in a single column. Enterprise and fiduciary funds are reported by type.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The Town's funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations or limitations based upon the purposes for which they are to be spent and by means by which spending activities are controlled. The various funds of the Town are outlined in the following paragraphs.

GOVERNMENTAL FUNDS

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Town for any purpose provided it is expended or transferred according to general statutory laws.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of special revenue sources that are restricted or committed for purposes other than debt service or capital projects.

Conservation Trust Fund is a special revenue fund used to account for revenue from the Colorado Lottery restricted for use in parks and recreation acquisition, development and maintenance pursuant to Colorado Revised Statutes.

Parks and Recreation Fund is a special revenue fund used to account for funds to be expended the operations of the Town's golf course.

Highway 6 Devolution Fund is a special revenue fund used to account for funds to be expended on maintenance of 5.7 miles of Highway 6 located within the Town's limits.

American Rescue Fund is a special revenue fund used to account for emergency funding to be expended on capital infrastructure projects. All remaining funds were expended in 2024 and the fund has been closed.

PROPRIETARY FUNDS

Enterprise Funds – The Water Fund, Sewer Fund and Sanitation Fund are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

FIDUCIARY FUNDS

Custodial Funds – Custodial funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, and other governmental units and funds. The Town's custodial fund consists of the Gypsum Recreation Center Capital Committee.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are prepared using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town receives value without directly giving equal value in return, consist of property taxes, other taxes and fines and penalties. All assets and all liabilities associated with the operation of the Town are included on the statement of net position.

FUND FINANCIAL STATEMENTS

All governmental funds are accounted for using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between government-wide and governmental fund statements. Under this method, revenues are recognized when measurable and available. The Town considers all revenues available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are property taxes, sales taxes, highway user taxes, and reimbursements from developers for professional fees.

Taxpayer-assessed local property and specific ownership taxes are considered “measurable” when in the hands of intermediary collecting governments and are recognized as revenue at that time. Expenditures are recorded when the related fund liability is incurred, except for outstanding general long-term liabilities which are reported as expenditures when paid.

Like the government-wide financial statements, the enterprise fund is accounted for using an economic resources measurement focus and accrual basis of accounting. This basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred. All assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of changes in revenues, expenses, and changes in net position, presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the Town finances and meets the cash flow needs of its enterprise fund.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting

The Town annually adopts budgets for all funds as required by its Home Rule Municipal Charter. This formal budgetary integration is employed as a management control device during the year for all funds. As required by the Home Rule Charter and Colorado Statutes, the Town follows this timetable in approving and enacting a budget for the ensuing year:

- 1) Prior to August 25, the County Assessor sends the Town the preliminary certified assessed valuation of all taxable property within the Town's boundaries.
- 2) The Mayor, or other qualified persons appointed by the Council, submits to the Council, on or before October 15, a recommended budget which details the necessary property taxes needed along with other available revenues to meet the Town's operating requirements. The Town Manager is to submit to the Council a long-range capital program two weeks before the submission of the recommended budget.
- 3) The Council holds a public hearing on the proposed budget and capital program no later than 45 days prior to the close of the fiscal year.
- 4) Prior to December 10, the County Assessor sends the Town the final certified assessed valuation of all taxable property within the Town's boundaries.
- 5) Prior to December 15, the Town Council computes and certifies to the County Commissioners a rate of levy that will derive the necessary property taxes as computed in the proposed budget.
- 6) After the required public hearing, the Town Council adopts the proposed budget, by ordinance, prior to December 15. The ordinance adopting the budget also legally appropriates expenditures for the upcoming year.
- 7) After adoption of the budget ordinance, the Town may make, by ordinance, the following changes: (a) supplemental appropriations of revenues to the extent of revenues in excess of the estimated budget; (b) emergency appropriations; and (c) reduction of appropriations for which originally estimated revenues are insufficient. At any time during the year, the Town Council may, by resolution, transfer part or all of any unexpended funds from one department or office to another.
- 8) Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on the final, legally amended budget.
- 9) Budget appropriations lapse at the end of each year.
- 10) Changes enacted by the Colorado Legislature delayed the Certification of County tax rolls. In November 2023, a short-term property tax solution was passed during a special session, allowing Counties an extension to December 29, 2023 to provide final assessed valuations. The deadlines for the mill levy certifications was extended from December 15, 2023 to January 5, 2024.

The Town legally adopted annual budgets for all of the Town's funds for 2024.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting (continued)

During the year the Town’s budgeted appropriations were as follows:

	Original
General Fund	\$ 27,250,746
Conservation Trust Fund	55,000
Parks and Recreation Fund	2,611,737
Water Fund	4,463,448
Sewer Fund	25,521,852
Sanitation Fund	360,175
Highway 6 Devolution Fund	-
American Rescue Fund	581,627

(The Town does not adopt a budget for the Gypsum Recreation Center Capital Committee Custodial Fund)

The budgets for the Governmental Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budgets for the Enterprise Funds are adopted on a Non-GAAP basis and are reconciled from GAAP basis to budgetary basis as follows:

	Budget	Actual	Variance Positive (Negative)
<u>Water Fund</u>			
Revenues:			
GAAP Operating Revenues	\$ 1,949,878	\$ 2,707,803	\$ 757,925
GAAP Non-Operating Revenues	1,609,462	1,991,233	381,717
GAAP Capital Contributions	600,000	-	(600,000)
Transfer In (Out)	355,434	355,434	-
Total Budgetary Based Revenues	\$ 4,514,774	\$ 5,054,470	\$ 539,696
Expenses			
GAAP Operating Expenses	\$ 1,818,915	\$ 2,912,991	\$ (1,094,076)
GAAP Non-Operating Expenses	63,526	63,296	230
Capital Outlay	2,379,515	-	2,379,515
Debt Retirement	201,492	201,495	(3)
Accrued Interest	-	229	(229)
Amortization of Prepaid Water Lease	-	(7,400)	7,400
Depreciation	-	(538,589)	538,589
Total Budgetary Based Expenses	\$ 4,463,448	\$ 2,632,022	\$ 1,831,426

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting (continued)

	Budget	Actual	Variance Positive (Negative)
<u>Sewer Fund</u>			
Revenues:			
GAAP Operating Revenues	\$ 2,607,573	\$ 2,605,919	\$ (1,654)
GAAP Non-Operating Revenues	1,558,400	2,839,698	1,281,298
Debt Proceeds	80,000,000	90,080,148	10,080,148
Transfer In (Out)	390,905	390,905	-
Total Budgetary Based Revenues	\$ 84,556,878	\$ 95,916,670	\$ 11,359,792
Expenses:			
GAAP Operating Expenses	\$ 1,166,305	\$ 1,656,021	\$ (489,716)
GAAP Non-Operating Expenses	1,850,000	1,341,241	508,759
Capital Outlay	21,855,547	2,610,465	19,245,082
Debt Retirement	650,000	-	650,000
Accrued Interest	-	(621,225)	621,225
Depreciation	-	(402,114)	402,114
Total Budgetary Based Expenses	\$ 25,521,852	\$ 4,584,388	\$ 20,937,464
 <u>Sanitation Fund</u>			
Revenues:			
GAAP Operating Revenues	\$ 476,000	\$ 466,038	\$ (9,962)
GAAP Non-Operating Revenues	9,996	27,724	17,728
Total Budgetary Based Revenues	\$ 485,996	\$ 493,762	\$ 7,766
Expenses:			
GAAP Operating Expenses	\$ 360,175	\$ 390,084	\$ (29,909)
Depreciation and Amortization	-	(58,101)	58,101
Total Budgetary Based Expenses	\$ 360,175	\$ 331,983	\$ 28,192

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Investments

The Town’s policy in determining which items are treated as cash equivalents on the statement of cash flows in the Proprietary Funds include all cash, demand deposits, treasury bills and other short-term, highly liquid investments (including restricted assets) that are readily convertible to cash and have original maturities of three months or less.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value. *(See other required disclosures for cash and investments in Note 2.)*

G. Inventories

The inventory in the Parks and Recreation Fund consists of retail items and is valued at cost, using the First in First out (FIFO) method. The cost of inventories are recorded as expenditures when sold.

H. Capital and Right-of-Use Assets - Depreciation and Amortization

Capital assets purchased or acquired with an original cost in excess of the capitalization threshold of \$10,000 set by the Town are reported at historical or estimated historical cost. Contributed assets are reported at net acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building	40 years
Water plant and lines	60 years
Sewer plant and lines	50 years
Water and sewer equipment	5 years
Trash trucks and equipment	5-10 years
Office Equipment	5-10 Years

The Town also reports leased assets at the Net Present Value of future payments and amortizes leased assets over the lesser of the lease term or the useful life.

On the government-wide statement of activities, governmental funds depreciation expense is included in the various expenses of functions or programs on capital assets that can be specifically identified with a function and for “shared” capital assets generally used by only a few functions that can be specifically identified to those functions. Depreciation expense for capital assets that essentially serve all functions are reported as a separate line in the statement of activities as unallocated depreciation, if applicable.

I. Customer Accounts Receivable

The Town considers customer accounts receivable for water, sewer and trash removal service fees to be fully collectible. The Town is empowered to place a lien on real property in the case of nonpayment. Accordingly, no allowance for doubtful accounts is considered necessary.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- J. Property Taxes Receivable and Deferred Inflows
Property taxes in the State of Colorado are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded in the accompanying financial statements as a receivable and as deferred inflow of resources. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2023 were collected in 2024 and taxes certified in 2024 will be collected in 2025. Taxes to be collected are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (no later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.
- The Town also reports long-term lease revenue as a deferred inflow, revenue is recognized as an inflow of resources in the period that the amount becomes available and earned.
- K. Prepaid Expenses
Payments that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.
- L. Proprietary Funds – Unearned Revenue
Unearned revenue in the Water Fund arises from prepaid tap and water dedication fees for which the requirements for revenue recognition have not been met.
- M. Proprietary Funds – Operating Revenues and Expenses
Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the Town, these revenues are charges for utility services. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise funds.
- N. Proprietary Funds – Contributed Capital
Grants and contributions in the enterprise funds which may be used for either operations or capital expenditures at the discretion of the Town are recognized as non-operating revenues. If expenditure of funds is the prime factor for determining eligibility for contributed funds, revenue or contributed capital is recognized at the time of making the expenditure.
- O. Compensated Absences
The Town's policy is to permit employees to accumulate 320 hours of earned but unused vacation and sick leave which will be paid upon separation from Town service, with vacation paid at 100% for all employees and sick leave paid at 50% for employees who have attained five years of service with a maximum payout of 160 hours. The Town has accrued a liability for sick and vacation pay that has been earned but not taken by Town employees. For governmental funds the liability for compensated absences is in the Statement of Net Position but not in the Fund Statements since it is anticipated that none of the liability will be liquidated with expendable available financial resources. The liability for compensated absences has been accrued in the proprietary funds.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Leases

Lessee - The Town is lessee for noncancellable leases of golf carts. The Town recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The current lease agreement expired in December 2024, the Town anticipates a new agreement to commence in 2025.

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

Key estimates and judgments related to leases include how the Town determines the following:

Discount Rate: The Town uses the interest rate charged by the lessor as the discount rate to discount the expected lease payments to present value. When the interest rate charged by the lessor is not provided, the Town uses the daily United States Treasury Yield Rate.

Lease Term: The lease term includes the noncancellable period of the lease and extended term(s) that the Town is reasonably certain to exercise.

Lease Payments: Lease payments included in the measurement of the lease liability are composed of fixed increasing payments, and purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position

Lessor - The Town is lessor for noncancellable leases of land and buildings. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Leases (continued)

Key estimates and judgments include how the Town determines the following:

Discount Rate: The Town uses the daily United States Treasury Yield Rate as the discount rate to discount the expected lease receipts to present value.

Lease Term: The lease term includes the noncancellable period of the lease and extended term(s) that the Town is reasonably certain the lessee will exercise.

Lease Receipts: Lease receipts included in the measurement of the lease receivable are composed of fixed and increasing payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Q. Inter-fund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the fund providing services and as expenditures/expenses in the fund receiving services. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in the governmental funds and are non-operating revenues/expenses in the enterprise fund. Transfers among funds are provided for as part of the budget process. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. Internal Balances

During the year, the Town may have transactions between funds to finance operations and provide services and to allocate combined cash balances. To the extent that certain transactions or budget transfers between funds have not been paid or received as of year-end, balances of inter-fund amount receivable or payable are recorded. All inter-fund balances that exist within governmental activities are eliminated on the government-wide statement of net position.

S. Net Position and Fund Balances

In the government-wide financial statements, net position is classified as follows:

Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component. Accumulated depreciation and the outstanding debt balances that are attributable to (already invested in) the acquisition, construction or improvement of these assets reduce this category.

Restricted – assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of HIGHER governments, or imposed by various enabling legislation.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Net Position and Fund Balances - continued

Unrestricted – represents the amount which is not restricted for any purpose. It is the Town's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – amounts that cannot be spent because they are either in non-spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of permanently restricted funds to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale, when applicable.

Restricted – when constraints are placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Enhancement Fund – Amounts on deposit received from Holy Cross Energy, *restricted* for use in beautification projects, energy conservation projects, equipment and technology upgrades for schools, scholarship funds, acquisition of open space and/or park land and development thereof, sponsorship of special community events and grounding of overhead electric and other utility lines. At December 31, 2024 a total of \$90,051 was restricted in the General Fund for this purpose.

Conservation Trust – Amounts on deposit received from lottery monies from the State of Colorado *restricted* for use in the acquisition, development and maintenance of new conservation and recreation sites pursuant to Colorado Revised Statutes. At December 31, 2024 \$65,500 was restricted in the Conservation Trust Fund.

Debt Service – Amounts on deposit *restricted* for future debt service in accordance CWCB intergovernmental loan and 2005 bond issue agreement. At December 31, 2024 amounts restricted for Debt Service were \$18,203 in the Water Fund.

Emergency Reserves – As discussed in *Note 12*, Colorado voters passed an amendment to the State Constitution, one of the provisions of which requires local governments to establish an emergency reserve which is calculated at 3% of certain expenditures. These funds may only be expended in cases of emergencies as defined by the amendment, and are used to fund appropriations only after unrestricted resources are depleted. Total Emergency Reserves at December 31, 2024 were \$728,000.

Highway 6 Devolution – Amounts on deposit received from the Colorado Department of Transportation for the use in maintaining 5.7 miles of Highway 6 within the Town Limits. At December 31, 2024 \$11,838,931 was restricted in the Highway 6 Devolution Fund.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Net Position and Fund Balances - continued

Restricted – continued:

Capital Projects – Amounts on deposit received from local developers for future construction of infrastructure assets located within the Town’s limits. At December 31, 2024 \$195,287 was restricted for this purpose.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Town Council). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

Wildlife Mitigation – A 0.1% fee is charged on sales of real estate within specified subdivisions within the Town of Gypsum and is committed for wildlife mitigation impacts.

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

American Rescue – Amounts on deposit received from the Department of Treasury for use in construction of infrastructure capital assets. At December 31, 2024 there were no remaining funds assigned in the American Rescue Fund, the fund has been closed.

Unassigned – the residual for the general fund and the parks and recreation fund.

It is the Town's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available. Committed and assigned amounts are considered to have been spent first when an expenditure is incurred for purposes for which such categories and unassigned amounts are available.

T. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - CASH AND INVESTMENTS

A. Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Town would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Town’s deposits are entirely covered by Federal Depository insurance (“FDIC”) or by the Colorado Public Deposit Protection Act (“PDPA”). The FDIC insures the first \$250,000 of the Town’s deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds with the Town being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA. The carrying amount of the Town’s demand deposits was \$20,538,567 at year end.

B. Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Town would not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town’s investment policy provides that all investment securities, except certificates of deposit, local government investment pools, and money market funds purchased by the Town shall be settled on a delivery versus payment basis and will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by the Town’s approved custodian bank, its correspondent bank or the Depository Trust Company. An approved Safekeeping Agreement must be executed with each custodian bank prior to utilizing that bank’s safekeeping services.

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
US Government Treasury Obligations	5 Years	None	None
Federal Instrumentally Securities	5 Years	None	None
Repurchase Agreements	180 days	None	None
Commercial Paper	270 Days	20%	10%
General Obligation Debt	3 Years	20%	10%
Certificates of Deposit	5 Years	None	None
Local Government Investment Pools	n/a	None	None
Municipal Bonds	5 Years	20%	10%

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - CASH AND INVESTMENTS (continued)

Fair Value of Investments

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

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices;
 - U.S. Government treasury obligations, Federal Instrumentally Securities, and commercial paper: quoted prices for identical securities in markets that are not active;
 - Corporate and municipal bonds: quoted prices for similar securities in active markets;
 - Repurchase agreements, negotiable certificates of deposit, and collateralized debt obligations: matrix pricing based on the securities’ relationship to benchmark quoted prices
- Level 3: Unobservable inputs

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

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurement Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of Deposit	\$ 15,865,854	\$ -	\$ 15,865,854	\$ -
<u>Investments Measured at Net Asset Value</u>	<u>Total</u>			
Colotrust	\$ 124,787,287			

C. Local Government Pools

The Town's holdings in government investment pools are comprised of balances with Colotrust, which is an investment vehicle established for local government entities in Colorado to pool surplus funds. They operate similarly to money market funds, whereby each share is equal in value to \$1. Investments of the trusts consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury securities. The Town has no regulatory oversight for the pools.

Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the trusts. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the trusts’ investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

The Plus+ fund may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities as well as in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. The Plus+ fund is a stable \$1.00 net asset value (NAV) fund that offers daily liquidity. At December 31, 2024, the Town’s investment in Colotrust Plus+ was 86% of the town’s investment portfolio and is reported at net asset value. At December 31, 2024, the Town had \$124,787,287 reported at net asset value.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - CASH AND INVESTMENTS (continued)

D. Deposits and Investments (continued)

Interest Rate Risk: As a means of limiting its exposure to interest rate risk, the Town coordinates its investments maturities to closely match cash flow needs and restricts the maximum investments term to less than five years from the purchase date. As a result of the limited length on maturities, the Town has limited its interest rate risk.

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

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

At December 31, 2024, The Town had the following cash and investments with the following maturities:

	Standard & Poors Rating	Carrying Amounts	Maturities	
			Less Than One Year	Less than Five Years
<u>Deposits:</u>				
Petty Cash	Not Rated	1,350	1,350	-
Checking/Money Market/ CD’s	Not Rated	20,538,567	20,538,567	-
<u>Investments:</u>				
Colotrust	AAAm	124,787,287	124,787,287	-
Certificates of Deposit	Not Rated	15,865,854	-	15,865,854

A summary of the Town’s cash and cash equivalents at December 31, 2024 (inclusive of Custodial Funds) are classified below:

Checking/Money Market/CD’s	\$ 20,538,567
Local Government Investment Pools	<u>124,787,287</u>
Total Balances	145,325,854
Cash on Hand	1,350
Net Outstanding Items	<u>(693,997)</u>
Total Cash and Cash Equivalents	<u>\$144,633,207</u>

The above Cash and Cash Equivalents are reported in the accompanying financial statements in the following activities:

Governmental Activities	\$ 32,029,064
Business Type Activities	112,425,161
Fiduciary Activities	<u>178,982</u>
Total Cash and Cash Equivalents	<u>\$144,633,207</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - CASH AND INVESTMENTS (continued)

E. Restricted Cash

At December 31, 2024 the Town's had restricted cash balances as follows:

Governmental Activities

General Fund:

Enhancement Fund	\$ 90,051
Capital Projects	<u>195,287</u>
Total General Fund	<u>285,338</u>

Special Revenue Fund:

Conservation	65,500
Highway 6 Devolution	<u>11,838,931</u>
Total Special Revenue Fund Restricted Cash	<u>11,904,431</u>

Total Governmental Activities	<u>\$ 12,189,769</u>
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Business-type Activities

Water Fund:

Colorado Conservation Water Board Loan	\$ 18,203
Total Water Fund Restricted Cash	<u>18,203</u>

Wastewater Fund:

Sewer Revenue Bonds, Series 2024	\$ 87,469,683
Total Wastewater Fund Restricted Cash	<u>87,469,683</u>

Total Business-type Activities	<u>\$ 87,487,886</u>
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TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 - LEASES RECEIVABLE

The Town leases assets to multiple entities. The leases bear annual interest ranging from 0.89% to 2.95% and may be subject to annual Consumer Price Index (“CPI”) adjustments which was measured and included in the Town’s original recognition of each agreement’s receivable. Variable revenues are recognized when the estimated CPI adjustment differs from actual. In accordance with generally accepted accounting principles, the outstanding lease receivable balances have been recorded as a receivable and deferred inflow of resources. There is a difference between reductions in receivables and deferred inflow when lease terms specify lease payment adjustments (i.e., subject to CPI adjustments) throughout the term of the lease, and these differences are recognized as an adjustment to leases principal revenue.

<i>GOVERNMENTAL ACTIVITIES</i>	Balances 01/01/24	Additions	Deletions	Balances 12/31/24	Amounts Receivable in One Year
Leases	\$ 347,480	\$ 292,906	\$ (217,568)	\$ 422,818	\$ 99,071
Total Governmental Activities	<u>\$ 347,480</u>	<u>\$ 292,906</u>	<u>\$ (217,568)</u>	<u>\$ 422,818</u>	<u>\$ 99,071</u>

The following lease receivables outstanding as of December 31, 2024:

Visionary Communications: The Town has three Leases with Visionary Communications. Beginning in 2017, 2018, and 2019 the Town began leasing three spaces to be used by Visionary Communications. Each lease is for 5 years and calls for monthly payments to begin at \$250 and end at \$276; increasing by 2.5% per annum.

Comcast: In 2019 the Town began leasing space to be used by Comcast. The lease is for 10 years and calls for monthly payments to begin at \$1,200 and end at \$1,499; increasing by 2.5% per annum.

My Future Pathways: In 2019 the Town began leasing space to be used by My Future Pathways. The lease is for 10 years and calls for a fixed monthly payment of \$1,800.

Creekside Restaurant: In 2018 the Town entered a lease with Creekside restaurant. The rental payments have a variable structure based on the percentage of revenue.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 4 - CAPITAL ASSETS AND RIGHT-OF-USE LEASE ASSETS

Governmental Activities:

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

	Balances 01/01/24	Additions	Reclassification/ Reductions	Balances 12/31/24
<i>GOVERNMENTAL ACTIVITIES</i>				
Non-depreciable Assets:				
Land	\$ 7,659,440	\$ -	\$ (118,070)	\$ 7,541,370
Construction-in-Progress	4,332,564	689,275	(2,891,858)	2,129,981
Depreciable Capital Assets:				
Buildings	20,088,103	112,409	-	21,200,512
Improvements	6,335,452	145,211	(341,816)	6,138,847
Heavy Equipment	4,445,768	130,781	(29,119)	4,547,430
Office Equipment	382,073	-	(231,774)	150,299
Infrastructure	54,688,901	2,891,858	-	57,580,759
Total at Historical Cost	97,932,301	3,969,534	(3,612,637)	98,289,198
<i>Less Accumulated Depreciation:</i>				
Buildings	(8,767,924)	(502,127)	-	(9,270,051)
Improvements	(3,057,174)	(266,295)	334,656	(2,988,813)
Heavy Equipment	(3,653,856)	(272,469)	29,118	(3,897,207)
Office Equipment	(378,685)	(3,389)	231,775	(150,299)
Infrastructure	(34,089,036)	(2,223,495)	-	(36,312,531)
Total Accum. Depreciation	(49,946,675)	(3,267,775)	595,549	(52,618,901)
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 47,985,626	\$ 701,759	\$ (3,017,088)	\$ 45,670,297

Increases in fixed assets were the result of the Town purchasing of several vehicles and golf maintenance units. Infrastructure asset additions were related to the construction of a new roundabout near the high school.

For the fiscal year ending December 31, 2024, depreciation expense for governmental activities of \$3,267,775 has been included in the various functions on the statement of activities as follows:

General Government	\$ 68,279
Community Development	27,344
Public Safety	438,422
Streets and Public Works	2,415,441
Culture and Recreation	318,289
Total Governmental Depreciation	\$ 3,267,775

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 4 - CAPITAL ASSETS AND RIGHT-OF-USE LEASE ASSETS (continued)

Governmental Activities:

Right-of-use lease assets for the fiscal year ending December 31, 2024, which are amortized over the shorter of the lease term or the useful life of the underlying asset, were as follows:

<i>GOVERNMENTAL ACTIVITIES</i>	<u>01/01/24</u>	<u>Additions</u>	<u>Retirements</u>	<u>12/31/24</u>
Right-of-use Lease Assets	\$ 502,267	\$ -	\$ (315,133)	\$ 187,134
Less Accumulated Amortization	<u>(227,255)</u>	<u>(44,851)</u>	<u>157,507</u>	<u>(114,599)</u>
ROU LEASE ASSETS, NET	<u>\$ 275,012</u>	<u>\$ (44,851)</u>	<u>\$ (157,626)</u>	<u>\$ 72,535</u>

Business-type Activities:

Capital asset activity for Business-Type Activities for the year ended December 31, 2024, was as follows:

	<u>Balances</u>			<u>Balances</u>
	<u>01/01/24</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/24</u>
<i>BUSINESS-TYPE ACTIVITIES</i>				
Non-depreciable Assets:				
Land	\$ 709,575	\$ -	\$ -	\$ 709,575
Water Rights/Rights-of-Way	13,737,121	-	-	13,737,121
Work-in-Progress	442,698	2,610,465	-	3,053,163
Depreciable Capital Assets:				
Buildings	110,000	-	-	110,000
Equipment & Furniture	1,776,674	-	(65,399)	1,711,275
Lines, Meters, Plant	<u>50,615,011</u>	<u>-</u>	<u>-</u>	<u>50,615,011</u>
Total at Historical Cost	<u>67,391,079</u>	<u>2,610,466</u>	<u>(65,399)</u>	<u>69,936,145</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(70,625)	(2,250)	-	(72,875)
Equipment & Furniture	(1,589,377)	(86,460)	65,399	(1,610,438)
Lines, Meters, Plant	<u>(17,212,257)</u>	<u>(910,094)</u>	<u>-</u>	<u>(18,122,351)</u>
Total Accum. Depreciation	<u>(18,872,259)</u>	<u>(998,804)</u>	<u>65,399</u>	<u>(19,805,664)</u>
<i>BUSINESS-TYPE ACTIVITIES</i>				
CAPITAL ASSETS, NET	<u>\$ 48,518,820</u>	<u>\$ 1,611,661</u>	<u>\$ -</u>	<u>\$ 50,130,481</u>

The Town's works in progress include engineering costs related to the future construction of a waste water treatment plant.

For the fiscal year ending December 31, 2024, depreciation expense of \$998,804 for business-type activities has been included in the various functions on the statement of activities as follows:

Water Utility	\$ 538,589
Sewer Utility	402,114
Sanitation Utility	<u>58,101</u>
Total Business-type Depreciation	<u>\$ 998,804</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 5 - LEASE COMMITMENTS AND LONG-TERM OBLIGATIONS

Lease Commitments

The Town has implemented the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases* for government-wide Statement of Net Assets recognition of leases and note disclosure of certain information about lease arrangements.

As discussed in Note 5, the Town is the lessee of golf cart equipment. The Town determines whether a contract is a lease at inception. Identified leases are subsequently measured, classified and recognized as lease commitments and leases with contractual terms longer than twelve months as either operating or finance. The Town’s equipment leases generally have terms from one to five years. The Town has entered into a new agreement that will commence in 2025. The current leased equipment was returned to the lessee in December 2024.

Right-to-use assets and lease obligations for operating leases are included in “ROU Lease Assets” and “Present Value of Lease Liability”, respectively, in the Statement of Net Position. Leased assets represent the Town’s right to use an underlying asset for the lease term and lease liabilities represent the Town’s obligation to make lease payments arising from the lease, which are subject to annual appropriation.

Operating right-of-use assets and associated lease liabilities are recognized based on the present value of future minimum lease payments to be made over the expected lease term, generally using the risk-free discount rate at the commencement date in determining the present value of future payments.

Subscription-Based Information Technology Arrangements and Commitments

The Town has implemented the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)* for government-wide Statement of Net Assets recognition of SBITA and note disclosure of certain information about SBITA arrangements.

The Town has several SBITA. The terms of the agreements include:

- Length: 3-6 years
- Variable payments: no variable payments
- Termination penalties: no termination penalties were paid in 2024.
- Prior commitments: prepayments and implementation costs were included in the subscription asset classification.
- Impairment: no impairment of SBITA in 2024.

Changes in the Town’s lease commitments and subscription-based information technology arrangements during the fiscal year ended December 31, 2024 are as follows:

	Balance			Balance	Amounts
GOVERNMENTAL	(at NPV)			(at NPV)	Due Within
<u>ACTIVITIES</u>	<u>01/01/24</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/24</u>	<u>One Year</u>
GOVERNMENTAL					
LEASE LIABILITIES	\$ 277,635	\$ -	\$ (208,516)	\$ 69,119	\$ 36,753

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 5 - LEASE COMMITMENTS AND LONG-TERM OBLIGATIONS - (continued)

Following are the required future minimum base rental payments under the Town's leases and SBITA.

Year Ending <u>December 31</u>	
2025	\$ 32,366
2026	18,193
2027	<u>18,560</u>
Total	<u>\$ 69,119</u>

The debt service payments are included in the Parks & Recreation Fund.

Changes in the Town's long-term obligations during the fiscal year ended December 31, 2024 are as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Balances 01/01/24</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 12/31/24</u>	<u>Amounts Due Within One Year</u>
<u>Notes/Leases:</u>					
Lease Purchase	\$ 1,117,860	\$ -	\$ (172,393)	\$ 945,467	\$ 180,015
 GOVERNMENTAL LONG-TERM OBLIGATIONS					
	<u>\$ 1,117,860</u>	<u>\$ -</u>	<u>\$ (172,393)</u>	<u>\$ 945,467</u>	<u>\$ 180,015</u>

Total compensated absences for governmental activities, consisting of accrued vacation and sick pay, in the amount of \$479,150 has been accrued on the financial statements, \$119,788 is expected to be paid in one year.

<u>BUSINESS TYPE ACTIVITIES</u>	<u>Balances 01/01/24</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 12/31/24</u>	<u>Amounts Due Within One Year</u>
<u>Notes/Leases:</u>					
Lease Purchase	\$ 147,690	\$ -	\$ (22,777)	\$ 124,913	\$ 23,783
CWCB Loan	558,588	-	(139,990)	418,598	-
CWRPDA Loan	1,397,559	-	(38,725)	1,358,834	39,701
Sewer Bond 2024	-	83,295,000	-	83,295,000	-
Premium Bond 2024	<u>-</u>	<u>6,785,148</u>	<u>-</u>	<u>6,785,148</u>	<u>-</u>
 BUSINESS-TYPE LONG-TERM OBLIGATIONS					
	<u>\$ 2,103,837</u>	<u>\$90,080,148</u>	<u>\$ (201,492)</u>	<u>\$91,982,493</u>	<u>\$ 63,484</u>

Total compensated absences for business-type activities, consisting of accrued vacation and sick pay, in the amount of \$137,859 has been accrued on the financial statements, \$34,466 is expected to be paid in one year.

Bond premium on the Sewer Revenue Bond, Series 2024 in the amount of \$6,785,148 are reported as noncurrent liabilities. Premiums are accreted over the remaining lives of the related debt issues using the effective interest rate.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 5 - LEASE COMMITMENTS AND LONG-TERM OBLIGATIONS - (continued)

Governmental Activities:

A. Financing Lease - Series 2017 Lease Purchase Refunding Loan

The Town entered into a financing agreement dated May 23, 2017 in the amount of \$2,537,587 with Branch Bank & Trust Company, Charlotte, North Carolina. The lease purchase was conducted to refinance and refund the existing Series 2010 Certificates of Participation. The Town completed the refunding to shorten its future debt service obligation by 5 years. This refunding resulted in an economic gain (difference between the present value of the old and new debt less debt service payments) to the Town in the amount of \$315,255.

The Lease Purchase, Series 2017 interest rate is 2.50% with interest payable June 1 and December 1, and principal payments due December 1 until the year 2029. The Leased property consists of approximately 18,389 square feet, gross area, of the Gypsum, Colorado Town Hall Building. The lease is subject to annual appropriation by the Town.

The obligation is being carried in the Town’s governmental and business-type activities. The original \$2,537,587 of debt was allocated to following funds based on the original use of the Series 2010 Certificates of Participation proceeds with \$2,241,451 to Governmental Activities and \$296,136 to Business-Type Activities.

The annual requirements to amortize the Governmental Activities portion of the Series 2017 Lease Purchase debt are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 180,015	\$ 23,636	\$ 203,651
2026	182,970	19,136	202,106
2027	190,194	14,562	204,756
2028	192,741	9,807	202,548
2029	<u>199,547</u>	<u>4,989</u>	<u>204,536</u>
Total Lease Purchase Payable – Governmental Activities	<u>\$ 945,467</u>	<u>\$ 72,130</u>	<u>\$ 1,017,597</u>

The debt service payments are included in the Parks and Recreation Fund.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 5 - LEASE COMMITMENTS AND LONG-TERM OBLIGATIONS - (continued)

Business-Type Activities:

A. Intergovernmental Loans - CWCB

The Town entered into a loan agreement dated July 14, 2009 between the Department of Natural Resources Colorado Water Conservation Board (CWCB) and the Town of Gypsum Water Activity Enterprises for the reconstruction of the LEDE Ditch & Reservoir. The Colorado Water Conservation Board approved a loan with a maximum amount of \$2,689,731 for up to 90% of the project costs with a 1% loan service charge and interest at 4.50% per annum. The repayment term is 30 years. The total loan amounted to \$2,689,731 secured by water user charges and fees. The loan is a 30-year loan maturing January 1, 2047 and is payable in annual installments (beginning January 1, 2018) of \$165,127. As part of the debt covenants a reserve account in the amount of one – tenth the annual payment (\$16,519) has been created. In July 2021 the Town elected to retire \$1,528,650 of this obligation early using debt proceeds from the financing of the Hydro Electric Plant (see CWRPDA loan). The early payoff resulted in interest savings of \$1,608,758. The obligation is carried in the Water Utility Enterprise business type activity at \$820,743 as of December 31, 2021. The Town’s annual debt service is as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	\$ -	\$ -
2026	146,290	18,837	165,127
2027	152,873	12,254	165,127
2028	<u>119,435</u>	<u>5,374</u>	<u>124,809</u>
	<u>\$ 418,598</u>	<u>\$ 36,465</u>	<u>\$ 455,063</u>

B. Financing Lease Payable- Series 2017 Lease Purchase Refunding Loan -

As described above, the Town entered into a financing agreement with Branch Bank & Trust Company on May 23, 2017 to refund the Series 2010 Certificates of Participation. The debt has been allocated based on the original use of the funding proceeds. The \$296,136 allocation represents the Water Fund portion of the \$2,537,587 total debt obligation.

The annual requirements to amortize the Business-type portion of the Series 2017 Lease Purchase debt are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	23,783	3,123	26,906
2026	24,174	2,528	26,702
2027	25,128	1,924	27,052
2028	25,465	1,296	26,761
2029	<u>26,363</u>	<u>659</u>	<u>27,022</u>
Total Lease Purchase Payable – Business-type Activities	<u>\$ 124,913</u>	<u>\$ 9,530</u>	<u>\$ 134,443</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 5 - LEASE COMMITMENTS AND LONG-TERM OBLIGATIONS - (continued)

Business-type Activities (continued):

C. Colorado Water Resources and Power Development Authority (CWRPDA)

The Town entered into a loan agreement dated May 1, 2020 between the Colorado Water Resources and Power Development Authority (CWRPDA) and the Town of Gypsum Water Activity Enterprises for construction of the Hydro Electric Power generating system along Gypsum Creek. The approved loan in the amount of \$1,528,650 carries an interest rate of 2.50% per annum and a repayment term of 30 years. The loan matures in 30-years on November 1, 2049 and is payable in semi-annual installments beginning May 1, 2020, with annual payments totaling \$73,425. The obligation is carried in the Water Utility Enterprise business type activity with a balance of \$1,358,834 as of December 31, 2024. The Town’s annual debt service is as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	39,701	33,724	73,425
2026	40,699	32,726	73,425
2027	41,723	31,702	73,425
2028	42,773	30,652	73,425
2029	43,849	29,576	73,425
2030-2034	236,356	130,769	367,125
2035-2039	267,619	99,506	367,125
2040-2044	303,018	64,108	367,126
2045-2049	<u>343,096</u>	<u>24,027</u>	<u>367,123</u>
Total Loan Payable – Business Type Activities	<u>\$ 1,358,834</u>	<u>\$ 476,790</u>	<u>\$ 1,835,624</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 5 - LEASE COMMITMENTS AND LONG-TERM OBLIGATIONS - (continued)

Business-type Activities (continued):

D. Sewer Revenue Bonds Series 2024

The Wastewater Enterprise fund issued revenue bonds, series 2024, dated October 1, 2024 for the construction of a wastewater treatment plant. The repayment term of this loan is 30 years with an average interest rate of 4.18% and the maximum payment \$5,922,000. These revenue bonds are secured by the Wastewater charges and fees, as part of this issuance the monthly users fees must be set to amount equal to the annual operations and maintenance expenses. An amount equal to 110% of both principal and interest must be set aside as a debt service reserve. The annual debt service is as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	-	4,464,026	4,464,026
2026	-	3,598,250	3,598,250
2027	-	3,958,250	3,958,250
2028	225,000	3,958,250	4,183,250
2029	560,000	3,947,000	4,507,000
2030-2034	6,790,000	19,063,500	25,853,500
2035-2039	12,930,000	16,667,750	29,597,750
2040-2044	16,505,000	13,095,250	29,600,250
2048-2049	20,650,000	8,951,750	29,601,750
2050-2054	<u>25,635,000</u>	<u>3,970,250</u>	<u>29,605,250</u>
Total Loan Payable – Business Type Activities	<u>\$83,295,000</u>	<u>\$81,674,276</u>	<u>\$164,969,276</u>

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 6 - DEFINED CONTRIBUTION PLAN

The Town participates in the Colorado Retirement Association (“CRA”), a multiple-employer retirement system, which is a qualified plan as defined by Internal Revenue Code section 401(a) and C.R.S. section 24-54. The plan provides retirement benefits through a defined contribution plan to participating Colorado counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. CRA administers this plan on behalf of the Town.

State statute assigns authority to establish and amend the benefit provisions of the plans that participate in CRA to the respective employer governments.

The Town's HR Manager acts as the administrator of the retirement account. All full-time employees are required to participate in the plan upon the first day of the pay period that includes the first day of the month, following a one-month period. After 6 months of employment, the employee and employer are required to contribute 7% of employee compensation, excluding overtime, bonuses, and fringe benefits. The Town’s contribution for each employee, including earnings thereon allocated to the employee’s account, vest at a rate of 33.33% each year of participation in the plan after the first year. An employee is fully vested after five years of employment. Town contributions and earnings forfeited by employees who leave employment before fully vesting are returned to the Town. Employee contributions are immediately vested.

Total covered payroll for the year subject to participation was \$5,834,424 compared to total payroll of \$5,941,356. The Year Ended December 31, 2024 required and actual contributions for both the Employer and Employee was \$325,026. There are no unfunded past service liabilities and no forfeitures in 2024.

Additionally, the Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 through CRA. The plan is also administered by the Town. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. During 2024, employee contributions totaled \$64,428. The annual financial report that includes financial statements and required supplementary information for the plan may be obtained through the plan's website at www.cra-online.org.

NOTE 7 - COMMITMENTS

- A. Cost Recovery Agreements Water and Sewer Taps – The Town has entered into subdivision improvement agreements with various land developers. Some of the agreements contain provisions that provide for payments to the developers for portions of water and sewer tap fees that will be collected by the Town. No obligations exist and a liability is not recorded until the Town actually collects the tap fees.
- B. During the normal course of business, the Town incurs claims and other assertions against it from various agencies and individuals. Management of the Town and their legal representatives consider the majority of claims or assertions to be without merit and believe the outcome will not materially affect the fairness of the presentation of the financial statements at December 31, 2024.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 8 - RISK MANAGEMENT

The Town is exposed to the risk of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by an intergovernmental agreement of 163 municipalities to provide property, general and automobile liability, public official, and workers compensation coverage to its members. A seven-member Board elected by and from its members governs CIRSA. Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts that are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

There is no current or long-term debt outstanding and the above liabilities include reserves for incurred claims and an estimated liability for incurred but not reported claims at December 31, 2024. No claim or judgment liability has been recorded in the Town's financial statements as the risk of liability is pooled with other members under CIRSA. The Town's settled claims have not exceeded their insurance coverage in any of the last three years. Additional information may be obtained from separately issued CIRSA financial statements by contacting CIRSA at 3665 Cherry Creek North Drive, Denver, CO 80209 or (303) 757-5475.

NOTE 9 - INTERGOVERNMENTAL AGREEMENTS

Gypsum Community Recreation Center Agreement

The Town and Mountain Recreation District entered into an agreement for the construction, ownership and operation of a community recreation facility located in Gypsum, Colorado. The District is responsible for the operation and maintenance of the community recreation center and the Town retains full fee simple title to the community center and community center site. In 2024, the Recreation Center encountered a deficit in operations; therefore, as stated in the agreement, a contribution equal to one-half of the operating deficit, \$183,709 has been accrued and will be paid to the District for the fiscal year ended December 31, 2024, the expenditure is reflected in the General Fund.

NOTE 10 - COMPLIANCE

A. TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which imposes several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. In 1994, the Town's electorate voted to allow the Town to collect, retain, and expend revenues notwithstanding any of TABOR's restrictions.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 10 - COMPLIANCE (continued)

A. TABOR Amendment – continued

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding voter approved debt service). The required reserve at December 31, 2024 is \$728,000.

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

B. Colorado Water Conservation Board Loan Covenants

The Town was in compliance with the minimum reserve fund requirements.

C. Sewer Enterprise Revenue Bonds, Series 2024 Loan Covenants

The Town was in compliance with the minimum reserve fund requirements.

D. Aviation Fuel Sales Tax

The Aviation Fuel Tax Calculation Report and tracking of related revenue and expenditures has been prepared by management and is in compliance with the FAA Revenue Use Policy. No liabilities exist at December 31, 2024.

E. Contraband

The Colorado Contraband Forfeiture Act (C.R.S. 16-13-501 to 511) addresses the accounting for proceeds from the seizure of contraband. These funds must be used for the specific purpose of law enforcement activities. While these proceeds are exempt from the appropriation process, they are subject to Local Government Audit Law (C.R.S. 29-1-601 to 608). For the year ended December 31, 2024 no such proceeds were received by the Town and as such are not included in the Town’s audited financial statements.

TOWN OF GYPSUM, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 11 - GASB STATEMENT 101, Compensated Absences

GASB Statement 101, *Compensated Absences*, became effective for periods after December 15, 2023. This Statement requires compensated absences to be recognized for:

1. Leave that has not been used
2. Leave that has been used but not yet been paid or settled through noncash means
3. Leave is attributed to services already rendered
4. Leave accumulates
5. The Leave is more likely than not to be used for time off or otherwise paid in cash or settled through non- cash means.

The Town pays out vacation up to 320 hours and after 5 years sick leave of 50% of accumulated amount up to 160 hours. The implementation of GASB 101 did not change how the Town estimates compensated absences as all liabilities paid upon termination have historically been included in the estimate.

NOTE 12 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2024 through the issuance date of this report. There have been no material events noted during this period that would impact the result reflected in this report or the Town's results going forward.

REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULES FOR THE
GENERAL FUND AND SPECIAL REVENUE FUNDS

TOWN OF GYPSUM, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 13,394,408	\$ 13,394,408	\$ 14,409,572	\$ 1,015,164
Licenses and Permits	34,500	34,500	41,919	7,419
Intergovernmental	512,664	512,664	626,108	113,444
Charges for Services	74,450	74,450	67,473	(6,977)
Community Development	636,461	636,461	1,920,877	1,284,416
Miscellaneous	319,707	319,707	378,259	58,552
Sale of Fixed Assets	-	-	564,533	564,533
Interest	200,000	200,000	1,117,705	917,705
	<u>15,172,190</u>	<u>15,172,190</u>	<u>19,126,446</u>	<u>3,954,256</u>
<u>Expenditures:</u>				
General Government	3,473,992	3,473,992	3,422,914	51,078
Community Development	1,460,324	1,460,324	1,653,611	(193,287)
Public Safety	1,454,133	1,454,133	1,476,422	(22,289)
Streets and Public Works	1,965,513	1,965,513	2,067,811	(102,298)
Culture and Recreation	1,701,257	1,701,257	1,599,029	102,228
Economic Development	204,250	204,250	141,850	62,400
Capital Outlay	15,040,938	15,040,938	9,952,964	5,087,974
	<u>25,300,407</u>	<u>25,300,407</u>	<u>20,314,601</u>	<u>4,985,806</u>
Excess Revenues Over (Under) Expenditures	(10,128,217)	(10,128,217)	(1,188,155)	8,940,062
<u>Other Financing Sources and (Uses):</u>				
Transfers (to) Other Funds	(1,950,339)	(1,950,339)	(1,471,339)	479,000
Total other Financing Sources	(1,950,339)	(1,950,339)	(1,471,339)	479,000
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(12,078,556)	(12,078,556)	(2,659,494)	9,419,062
Fund Balances – Beginning	<u>19,425,817</u>	<u>19,425,817</u>	<u>20,806,313</u>	<u>1,380,496</u>
Fund Balances – Ending	<u>\$ 7,347,261</u>	<u>\$ 7,347,261</u>	<u>\$ 18,146,819</u>	<u>\$ 10,799,558</u>

TOWN OF GYPSUM, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – CONSERVATION TRUST FUND
For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 48,696	\$ (1,304)
Interest	<u>500</u>	<u>500</u>	<u>3,136</u>	<u>2,636</u>
Total Revenues	<u>50,500</u>	<u>50,500</u>	<u>51,832</u>	<u>1,332</u>
<u>Expenditures:</u>				
Culture and Recreation:				
Capital Outlay	<u>55,000</u>	<u>55,000</u>	<u>25,064</u>	<u>29,936</u>
Total Expenditures	<u>55,000</u>	<u>55,000</u>	<u>25,064</u>	<u>29,336</u>
Excess Revenues Over (Under) Expenditures	(4,500)	(4,500)	26,768	31,268
 Fund Balances – Beginning	 <u>64,383</u>	 <u>64,383</u>	 <u>38,732</u>	 <u>(25,651)</u>
Fund Balances – Ending	<u>\$ 59,883</u>	<u>\$ 59,883</u>	<u>\$ 65,500</u>	<u>\$ 5,617</u>

TOWN OF GYPSUM, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND - PARKS AND RECREATION FUND
For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Charges for Services	\$ 1,407,112	\$ 1,407,112	\$ 1,637,520	\$ 230,408
Interest	<u>1,500</u>	<u>1,500</u>	<u>362</u>	<u>(1,138)</u>
Total Revenues	<u>1,408,612</u>	<u>1,408,612</u>	<u>1,637,882</u>	<u>229,270</u>
<u>Expenditures:</u>				
Golf Course Operations	2,009,897	2,009,897	1,858,412	151,485
Capital Outlay	401,500	401,500	282,016	119,484
Debt Service:				
Principal	172,393	172,393	172,393	-
Interest	<u>27,947</u>	<u>27,947</u>	<u>27,947</u>	<u>-</u>
Total Expenditures	<u>2,611,737</u>	<u>2,611,737</u>	<u>2,340,768</u>	<u>270,969</u>
Excess Revenues Over (Under) Expenditures	(1,203,125)	(1,203,125)	(702,886)	500,239
<u>Other Financing Sources and (Uses):</u>				
Transfer from Other Funds	<u>1,204,000</u>	<u>1,204,000</u>	<u>725,000</u>	<u>(479,000)</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	875	875	22,114	21,239
Fund Balances – Beginning	<u>106,457</u>	<u>106,457</u>	<u>45,036</u>	<u>(61,421)</u>
Fund Balances – Ending	<u>\$ 107,332</u>	<u>\$ 107,332</u>	<u>\$ 67,150</u>	<u>\$ (40,182)</u>

TOWN OF GYPSUM, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – HIGHWAY 6 DEVOLUTION
For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Interest	\$ 100,000	\$ 100,000	\$ 586,774	\$ 486,774
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>586,774</u>	<u>486,774</u>
<u>Expenditures:</u>				
Repairs and Maintenance	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	100,000	100,000	586,774	486,774
 Fund Balances – Beginning	 <u>11,039,951</u>	 <u>11,039,951</u>	 <u>11,252,157</u>	 <u>212,206</u>
Fund Balances – Ending	<u>\$ 11,139,951</u>	<u>\$ 11,139,951</u>	<u>\$ 11,838,931</u>	<u>\$ 698,980</u>

TOWN OF GYPSUM, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – AMERICAN RESCUE FUND
For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>				
Grant Revenue	\$ 500,000	\$ 500,000	\$ 368,257	\$ (131,743)
Interest	<u>2,000</u>	<u>2,000</u>	<u>12,494</u>	<u>10,494</u>
Total Revenues	<u>502,000</u>	<u>502,000</u>	<u>380,751</u>	<u>(121,249)</u>
<u>Expenditures:</u>				
Capital Outlay	<u>581,627</u>	<u>581,627</u>	<u>492,400</u>	<u>89,227</u>
Total Expenditures	<u>581,627</u>	<u>581,627</u>	<u>492,400</u>	<u>89,227</u>
Excess Revenues Over (Under) Expenditures	(79,627)	(79,627)	(111,649)	(32,022)
Fund Balances – Beginning	<u>79,627</u>	<u>79,627</u>	<u>111,649</u>	<u>32,022</u>
Fund Balances – Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTAL INFORMATION

GOVERNMENTAL FUNDS

TOWN OF GYPSUM, COLORADO
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES & OTHER FINANCING SOURCES:				
GENERAL GOVERNMENT:				
<u>Taxes</u>				
General Property	\$ 1,058,560	\$ 1,058,560	\$ 1,221,519	\$ 162,959
Specific Ownership	45,000	45,000	51,684	6,684
Franchise	400,000	400,000	317,849	(82,151)
Sales and Use	10,349,246	10,349,246	10,760,923	411,677
Real Estate Transfer	1,091,602	1,091,602	1,328,772	237,170
Bag Fees	-	-	452	452
Cigarette	450,000	450,000	728,373	278,373
TOTAL TAXES	13,394,408	13,394,408	14,409,572	1,015,164
<u>Licenses and Permits</u>				
Liquor and Business	34,500	34,500	41,919	7,419
TOTAL LICENSES AND PERMITS	34,500	34,500	41,919	7,419
<u>Intergovernmental Revenues</u>				
Highway Users Tax	322,664	322,664	386,929	64,265
County Road and Bridge Tax	150,000	150,000	195,729	45,729
Motor Vehicle Tax	40,000	40,000	43,450	3,450
TOTAL INTERGOVERNMENTAL	512,664	512,664	626,108	113,444
<u>Administrative Charges</u>				
Reimbursements and Rentals	4,100	4,100	1,050	(3,050)
Miscellaneous Admin Charges	70,350	70,350	66,423	(3,927)
TOTAL ADMINISTRATIVE CHARGES	74,450	74,450	67,473	(6,977)
COMMUNITY DEVELOPMENT:				
Variance and Subdivision	10,350	10,350	16,340	5,990
Building Permits	426,537	426,537	654,380	227,843
Impact fees	79,574	79,574	1,021,968	942,394
Reimbursed Professional Fees	60,000	60,000	156,989	96,989
Community Enhancement Fund	60,000	60,000	71,200	11,200
TOTAL COMMUNITY DEV CHARGES	636,461	636,461	1,920,877	1,284,416
MISCELLANEOUS REVENUES:				
Municipal Court - Violations	67,100	67,100	108,551	41,451
Special Events	104,107	104,107	127,804	23,697
Miscellaneous	148,500	148,500	141,904	(6,596)
Sale of Fixed Assets	-	-	564,533	564,533
Interest Income	200,000	200,000	1,117,705	917,705
TOTAL MISC/OTHER REVENUES	519,707	519,707	2,060,497	1,540,790
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 15,172,190	\$ 15,172,190	\$ 19,126,446	\$ 3,954,256

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES– BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES AND OTHER FINANCING USES:				
GENERAL GOVERNMENT:				
Salaries	\$ 1,053,094	\$ 1,053,094	\$ 1,102,081	\$ (48,987)
Payroll Taxes	77,327	77,327	79,382	(2,055)
Employee Benefits	290,572	290,572	335,721	(45,149)
Office Supplies	24,000	24,000	21,865	2,135
Utilities and Telephone	127,404	127,404	145,169	(17,765)
Professional Services	922,229	922,299	725,406	196,823
Auto and Travel	100,000	100,000	115,819	(15,819)
Equipment and Ground Maintenance	162,000	162,000	194,767	(32,767)
Professional Development	43,000	43,000	27,657	15,343
Dues and Subscriptions	25,374	25,374	38,142	(12,768)
Economic and Public Relations	6,000	6,000	13,241	(7,241)
Employee Retention	4,500	4,500	1,550	2,950
Publications	5,000	5,000	263	4,737
Insurance	322,228	322,228	384,984	(62,756)
Community Support/Contributions	163,564	163,564	129,202	34,362
County Treasurer's Fees	29,450	29,450	29,531	(81)
Miscellaneous	118,250	118,250	78,134	40,116
TOTAL GENERAL GOVERNMENT	3,473,992	3,473,992	3,422,914	51,078
COMMUNITY DEVELOPMENT:				
Salaries	1,036,487	1,036,487	1,093,950	(57,463)
Payroll Taxes	78,670	78,670	80,518	(1,848)
Employee Benefits	267,267	267,267	306,636	(39,369)
Supplies	-	-	381	(381)
Professional Services	75,500	75,500	172,109	(96,609)
Auto and Travel	-	-	17	(17)
Equipment Maintenance	2,400	2,400	-	2400
TOTAL COMMUNITY DEVELOPMENT	1,460,324	1,460,324	1,653,611	(193,287)
PUBLIC SAFETY:				
Law Enforcement Contract	1,351,093	1,351,093	1,351,093	-
Animal Control Contract	98,040	98,040	98,040	-
Municipal Court Expenses	-	-	16,289	(16,289)
Miscellaneous	5,000	5,000	11,000	(6,000)
TOTAL PUBLIC SAFETY	1,454,133	1,454,133	1,476,422	(22,289)

(continued on next page)

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES– BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<i>(continued)</i>				
STREETS AND PUBLIC WORKS:				
Salaries	\$ 938,423	\$ 938,423	\$ 1,017,367	\$ (78,944)
Payroll Taxes	70,795	70,795	75,042	(4,247)
Employee Benefits	301,295	301,295	282,638	18,657
Supplies	29,000	29,000	19,938	9,062
Utilities	35,000	35,000	51,107	(16,107)
Road and Bridge Maintenance	350,000	350,000	344,323	5,677
Street Lighting Maintenance	50,000	50,000	78,125	(28,125)
Building and Grounds Maintenance	68,500	68,500	66,610	1,890
Equipment Maintenance	81,500	81,500	96,718	(15,218)
Miscellaneous	41,000	41,000	35,943	5,057
TOTAL STREETS AND PUBLIC WORKS	<u>1,965,513</u>	<u>1,965,513</u>	<u>2,067,811</u>	<u>(102,298)</u>
PARKS:				
Salaries	557,919	557,919	470,733	87,186
Payroll Taxes	34,146	34,146	36,274	(2,128)
Employee Benefits	77,149	77,149	120,056	(42,907)
Supplies	25,715	25,715	20,338	5,377
Amphitheater	25,000	25,000	13,970	11,030
Park Maintenance	100,000	100,000	93,974	6,026
Golf Course Facility Maintenance	12,878	12,878	5,878	7,000
Special Events	643,450	643,450	617,973	25,477
Subsidy to Mtn. Recreation	163,000	163,000	183,709	(20,709)
Miscellaneous	62,000	62,000	36,124	25,876
TOTAL CULTURE AND RECREATION	<u>1,701,257</u>	<u>1,701,257</u>	<u>1,599,029</u>	<u>102,228</u>
ECONOMIC DEVELOPMENT:				
Recycling Center	4,200	4,200	4,200	-
Economic Development	200,050	200,050	137,650	62,400
TOTAL ECONOMIC DEVELOPMENT	<u>204,250</u>	<u>204,250</u>	<u>141,850</u>	<u>62,400</u>
CAPITAL OUTLAY:				
General Government	625,768	625,768	171,885	453,883
Community Development	-	-	28,802	(28,802)
Streets and Public Works	13,895,420	13,895,420	9,365,327	4,530,093
Culture and Recreation	519,750	519,750	386,950	132,800
TOTAL CAPITAL OUTLAY	<u>15,040,938</u>	<u>15,040,938</u>	<u>9,952,964</u>	<u>5,087,974</u>
OTHER FINANCING USES:				
Transfers to Other Funds	1,950,339	1,950,339	1,471,339	479,000
TOTAL OTHER FINANCING USES	<u>1,950,339</u>	<u>1,950,339</u>	<u>1,471,339</u>	<u>479,000</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 27,250,746</u>	<u>\$ 27,250,746</u>	<u>\$ 21,785,940</u>	<u>\$ 5,464,806</u>

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL
PARKS AND RECREATION FUND
For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>General Revenues</u>				
Interest Income	\$ 1,500	\$ 1,500	\$ 362	\$ (1,138)
GOLF COURSE ACTIVITIES:				
<u>Charges for Services</u>				
Annual Passes	202,755	202,755	202,300	(455)
Beverage Cart Sales	125	125	648	523
Driving Range	-	-	60,160	60,160
Green Fees	711,270	711,270	750,825	39,555
Insurance Reimbursements	-	-	78,067	78,067
Lesson Fees	5,000	5,000	6,400	1,400
Merchandise Sales	100,000	100,000	139,417	39,417
Proshop – Handicaps Payout	-	-	6,345	6,345
Punch Passes	170,000	170,000	234,225	64,225
Restaurant Rental	56,000	56,000	36,761	(19,239)
Tournament Entries	90,962	90,962	88,472	(2,490)
Utility Reimbursement	29,000	29,000	17,200	(11,800)
Other Revenue	<u>42,000</u>	<u>42,000</u>	<u>16,700</u>	<u>(25,300)</u>
Total Charges for Services	<u>1,407,112</u>	<u>1,407,112</u>	<u>1,637,520</u>	<u>230,408</u>
OTHER FINANCING SOURCES:				
Transfers from Other Funds	1,204,000	1,204,000	725,000	(479,000)
Total Other Financing Sources	<u>1,204,000</u>	<u>1,204,000</u>	<u>725,000</u>	<u>(479,000)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 2,612,612</u>	<u>\$ 2,612,612</u>	<u>\$ 2,362,882</u>	<u>\$ (249,730)</u>

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
PARKS AND RECREATION FUND
For the Year Ended December 31, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
GOLF COURSE ACTIVITIES:				
<u>Pro Shop</u>				
Salaries	\$ 304,008	\$ 304,008	\$ 334,747	\$ (30,739)
Taxes	22,649	22,649	24,593	(1,944)
Benefits	45,328	45,328	82,931	(37,603)
Dues and Permits	7,500	7,500	7,194	306
Education	5,000	5,000	2,160	2,840
Supplies	42,000	42,110	68,494	(26,384)
Resale Items	90,000	90,000	90,415	(415)
Repairs and Maintenance	<u>131,900</u>	<u>131,900</u>	<u>105,739</u>	<u>26,161</u>
Total Pro Shop	<u>648,495</u>	<u>648,495</u>	<u>716,273</u>	<u>(67,778)</u>
<u>Driving Range</u>				
Supplies	<u>23,500</u>	<u>23,500</u>	<u>2,610</u>	<u>20,890</u>
<u>Cart Department</u>				
Salaries	154,919	154,919	114,158	40,761
Taxes	11,541	11,541	8,733	2,808
Benefits	500	500	228	272
Supplies	-	-	74	(74)
Repairs and Maintenance	24,000	24,000	19,776	4,224
Operating Lease	<u>186,620</u>	<u>186,620</u>	<u>46,620</u>	<u>140,000</u>
Total Cart Department	<u>377,580</u>	<u>377,580</u>	<u>189,589</u>	<u>187,991</u>
<u>Course and Maintenance</u>				
Salaries	393,566	393,566	421,707	(28,141)
Taxes	29,321	29,321	30,921	(1,600)
Benefits	84,812	84,812	102,375	(17,563)
Dues and Permits	4,000	4,000	3,097	903
Supplies	90,300	90,300	80,284	10,016
Repairs and Maintenance	128,000	128,000	101,454	26,546
Equipment Rental	9,500	9,500	10,617	(1,117)
Utilities	<u>30,100</u>	<u>30,100</u>	<u>14,514</u>	<u>15,586</u>
Total Course and Maintenance	<u>769,599</u>	<u>769,599</u>	<u>764,969</u>	<u>4,630</u>

(continued on next page)

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL
PARKS AND RECREATION FUND
For the Year Ended December 31, 2024

(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Administration</u>				
Advertising and Promotion	\$ 38,500	\$ 38,500	\$ 33,276	\$ 5,224
Benefits	10,000	10,000	5,526	4,474
Bank Charges	24,667	24,667	24,538	129
Office Supplies & Dues	46,998	46,998	42,585	4,413
Equipment Repairs and Maintenance	20,895	20,895	37,883	(16,988)
Miscellaneous	500	500	107	393
Total Administration	<u>141,560</u>	<u>141,560</u>	<u>143,915</u>	<u>(2,355)</u>
<u>Facility Expenses</u>				
Facility Repairs and Maintenance	5,000	5,000	4,108	892
Utilities	44,163	44,163	36,949	7,214
Total Facility	<u>49,163</u>	<u>49,163</u>	<u>41,057</u>	<u>8,106</u>
TOTAL GOLF COURSE EXPENDITURES	<u>2,009,897</u>	<u>2,009,897</u>	<u>1,858,413</u>	<u>151,484</u>
CAPITAL OUTLAY:				
Golf Course	<u>401,500</u>	<u>401,500</u>	<u>282,016</u>	<u>119,484</u>
DEBT SERVICE:				
Principal	172,393	172,393	172,393	-
Interest	27,947	27,947	27,947	-
TOTAL DEBT SERVICES	<u>200,340</u>	<u>200,340</u>	<u>200,340</u>	<u>-</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 2,611,737</u>	<u>\$ 2,611,737</u>	<u>\$ 2,340,769</u>	<u>\$ 270,968</u>

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

SUPPLEMENTAL INFORMATION
PROPRIETARY (ENTERPRISE) FUNDS

TOWN OF GYPSUM, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET TO ACTUAL – WATER ENTERPRISE FUND
For the Year Ended December 31, 2024

	Water Enterprise Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>Revenues:</u>				
Service Fees	\$ 1,802,878	\$ 1,802,878	\$ 2,599,413	\$ 796,535
Other Revenues	147,000	147,000	108,390	(38,610)
Tap Fees	774,662	774,662	985,880	211,218
Dedication Fees	784,800	784,800	459,497	(325,303)
Interest Income	50,000	50,000	545,856	495,856
Capital Contributions	600,000	600,000	-	(600,000)
Transfers from Other Funds	355,434	355,434	355,434	-
Total Budgetary Based Revenues	<u>4,514,774</u>	<u>4,514,774</u>	<u>5,054,470</u>	<u>539,696</u>
<u>Expenditures:</u>				
System Operations:				
Salaries	496,618	496,618	714,908	(218,290)
Payroll Taxes	36,508	36,508	53,106	(16,598)
Employee Benefits	139,674	139,674	200,370	(60,696)
Utilities	44,000	44,000	48,305	(4,305)
Operating Supplies	228,200	228,200	148,457	79,743
Repairs and Maintenance	264,000	264,000	233,634	30,366
System Component Upgrades	70,950	70,950	73,488	(2,538)
Water Purchase	50,000	50,000	31,762	18,238
Eagle River Monitoring	9,000	9,000	9,000	-
Miscellaneous	45,000	45,000	22,093	22,907
Administration:				
Salaries	88,201	88,201	109,398	(21,197)
Payroll Taxes	6,756	6,756	7,967	(1,211)
Employee Benefits	24,541	24,541	31,296	(6,755)
Office and Billing	19,800	19,800	19,844	(44)
Dues and Permits	500	500	1,557	(1,057)
Professional Services	291,303	291,303	259,176	32,127
Miscellaneous	3,864	3,864	-	3,864
Debt Services:				
Principal	201,492	201,492	201,495	(3)
Interest	63,526	63,526	63,525	1
Capital Outlay/Noncap Outlay	<u>2,379,515</u>	<u>2,379,515</u>	<u>402,641</u>	<u>1,976,874</u>
Total Budgetary Based Expenditures	<u>4,463,448</u>	<u>4,463,448</u>	<u>2,632,022</u>	<u>1,831,426</u>
Budgetary Based Net Income (Loss)	51,326	51,326	2,422,448	2,371,122
Beginning Available Funds	<u>7,743,861</u>	<u>7,743,861</u>	<u>7,224,996</u>	<u>(518,865)</u>
Ending Available Funds	<u>\$ 7,795,187</u>	<u>\$ 7,795,187</u>	<u>\$ 9,647,444</u>	<u>\$ 1,852,257</u>

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET TO ACTUAL – SEWER ENTERPRISE FUND
For the Year Ended December 31, 2024

	Sewer Enterprise Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>Revenues:</u>				
Service Fees	\$ 2,507,573	\$ 2,507,573	\$ 2,571,371	\$ 63,798
Tap Fees	1,158,400	1,158,400	1,475,007	316,607
Interest Income	400,000	400,000	1,364,691	964,691
Other Revenues	-	-	3,000	3,000
Grant Revenues	100,000	100,000	31,548	(68,452)
<u>Other Financing Sources and Uses:</u>				
Transfer from General Fund	390,905	390,905	390,905	-
Other Financing Sources	80,000,000	80,000,000	90,080,148	10,080,148
 Total Budgetary Based Revenues	 <u>84,556,878</u>	 <u>84,556,878</u>	 <u>95,916,670</u>	 <u>11,359,792</u>
<u>Expenditures:</u>				
System Operations:				
Salaries	370,018	370,018	325,537	44,481
Payroll Taxes	27,049	27,049	23,924	3,125
Employee Benefits	92,890	92,890	84,275	8,615
Utilities	25,000	25,000	16,964	8,036
Operating Supplies	9,000	9,000	5,610	3,390
Operations and Maintenance	448,252	448,252	543,161	(94,909)
Miscellaneous	4,000	4,000	3,281	719
Administration:				
Salaries	100,969	100,969	125,279	(24,310)
Payroll Taxes	7,682	7,682	9,107	(1,425)
Employee Benefits	27,521	27,521	35,847	(8,326)
Office and Billing	19,800	19,800	20,474	(674)
Dues and Permits	7,000	7,000	5,982	1,018
Professional Services	27,124	27,124	11,485	15,639
Debt Services:				
Principal	650,000	650,000	-	650,000
Interest	1,850,000	1,850,000	-	1,850,000
Bond Issuance Costs	-	-	720,016	(720,016)
Capital Outlay	21,855,547	21,855,547	2,653,446	19,202,101
 Total Budgetary Based Expenditures	 <u>25,521,852</u>	 <u>25,521,852</u>	 <u>4,584,388</u>	 <u>20,937,464</u>
 Budgetary Based Net Income (Loss)	 59,035,026	 59,035,026	 91,332,282	 32,297,256
 Beginning Available Funds	 <u>6,543,012</u>	 <u>6,543,012</u>	 <u>6,601,970</u>	 <u>58,958</u>
 Ending Available Funds	 <u>\$ 65,578,038</u>	 <u>\$ 65,578,038</u>	 <u>\$ 97,934,252</u>	 <u>\$ 32,356,214</u>

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

TOWN OF GYPSUM, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET TO ACTUAL – SANITATION ENTERPRISE FUND
For the Year Ended December 31, 2024

	Sanitation Enterprise Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>				
Service Fees	\$ 476,000	\$ 476,000	\$ 466,038	\$ (9,962)
Interest Income	9,996	9,996	27,724	17,728
Total Budgetary Based Revenues	<u>485,996</u>	<u>485,996</u>	<u>493,762</u>	<u>7,766</u>
<u>Expenditures:</u>				
System Operations:				
Salaries	46,000	46,000	50,497	(4,497)
Payroll Taxes	3,428	3,428	3,543	(115)
Employee Benefits	14,820	14,820	12,543	2,277
Supplies	32,200	32,200	27,833	4,367
Operations and Maintenance	85,000	85,000	54,361	30,639
Landfill Fees	100,000	100,000	93,021	6,979
Administration:				
Salaries	42,812	42,812	50,790	(7,978)
Payroll Taxes	3,325	3,325	3,765	(440)
Employee Benefits	12,790	12,790	14,524	(1,734)
Office and Billing	19,800	19,800	21,106	(1,306)
Total Budgetary Based Expenditures	<u>360,175</u>	<u>360,175</u>	<u>331,983</u>	<u>28,192</u>
Budgetary Based Net Income (Loss)	125,821	125,821	161,779	35,958
Beginning Available Funds	<u>716,676</u>	<u>716,676</u>	<u>645,385</u>	<u>(71,291)</u>
Ending Available Funds	<u>\$ 842,497</u>	<u>\$ 842,497</u>	<u>\$ 807,164</u>	<u>\$ (35,333)</u>

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

ANNUAL LOCAL HIGHWAY FINANCE REORT
STATEMENT OF RECEIPTS AND
EXPENDITURES FOR ROADS, BRIDGES AND STREETS

The public report burden for this information collection is estimated to average 380 hours annually.				Form Approved OMB No. 2125-0032	
LOCAL HIGHWAY FINANCE REPORT				STATE: COLORADO	
				YEAR ENDING (mm/yy): 12/24	
This Information From The Records Of:			Prepared By:		
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)		\$	9,129,167.00
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:		\$	193,495.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:			
c. Total (a.+b.)		a. Traffic control operations		\$	87,722.00
2. General fund appropriations	\$ 10,285,240.00	b. Snow and ice removal		\$	57,752.00
3. Other local imposts (from page 2)	\$ 51,684.00	c. Other			
4. Miscellaneous local receipts (from page 2)	\$ 691,001.00	d. Total (a. through c.)		\$	145,474.00
5. Transfers from toll facilities		4. General administration & miscellaneous		\$	231,740.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety		\$	1,367,382.00
a. Bonds - Original Issues		6. Total (1 through 5)		\$	11,067,258.00
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)	\$ 11,027,925.00	b. Redemption			
B. Private Contributions		c. Total (a. + b.)		\$	-
C. Receipts from State government		2. Notes:			
(from page 2)	\$ 626,107.00	a. Interest			
D. Receipts from Federal Government		b. Redemption			
(from page 2)	\$ -	c. Total (a. + b.)		\$	-
E. Total receipts (A7 + B + C + D)	\$ 11,654,032.00	3. Total (1.c + 2.c)		\$	-
		C. Payments to State for highways			
		D. Payments to toll facilities			
		E. Total expenditures (A6 + B.3 + C + D)		\$	11,067,258.00
IV. LOCAL HIGHWAY DEBT STATUS					
<i>(Show all entries at par)</i>					
	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
	\$ 11,252,157.00	\$ 11,654,032.00	\$ 11,067,258.00	\$ 11,838,931.00	\$ -
Notes and Comments:					

