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Town of Palmer Lake, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2024

Town of Palmer Lake, Colorado

Table of Contents
December 31, 2024

Independent Auditor’s Report..... 1

Management’s Discussion and Analysis i

Basic Financial Statements

Government-wide Financial Statements

 Statement of Net Position 4

 Statement of Activities 5

Governmental Funds

 Balance Sheet 6

 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position 7

 Statement of Revenues, Expenditures and Changes in Fund Balances 8

 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities 9

Proprietary Funds

 Statement of Net Position 10

 Statement of Revenues, Expenses and Changes in Net Position 11

 Statement of Cash Flows..... 12

Notes to Financial Statements 13

Required Supplementary Information

Budgetary Comparison Schedule - General Fund 33

Budgetary Comparison Schedule - Water Fund 34

Schedule of Changes in the Net Pension Asset Liability and Related Ratios - FPPA 35

Schedule of Changes in the Net Pension Liability and Related Ratios - Volunteer Fireman 37

Notes to Required Supplementary Information 39

Supplementary Information

Budgetary Comparison Schedule - Conservation Trust Fund 40

(Continued)

Town of Palmer Lake, Colorado

Table of Contents
December 31, 2024
(Continued)

Compliance Section

Single Audit

Independent Auditor’s Report on Internal Control over Financial Reporting and
on Compliance, and Other Matters Based on an Audit of the Financial Statements
Performed in Accordance with *Government Auditing Standards*..... 41

Independent Auditor’s Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance, and Report on Schedule of
Expenditures of Federal Awards Required by *Uniform Guidance* 43

Schedule of Expenditures of Federal Awards 46

Notes to the Schedule of Expenditures of Federal Awards 47

Schedule of Findings and Questioned Costs 48

Schedule of Prior Year Findings 50

State Compliance

Local Highway Finance Report..... 51

Independent Auditor's Report

Honorable Mayor and Members of the Board of Trustees
Town of Palmer Lake, Colorado
Palmer Lake, Colorado

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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 Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary comparison schedule - Utility Fund and local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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Management's Discussion and Analysis

Town of Palmer Lake, Colorado Management's Discussion and Analysis For the Year Ending December 31, 2024

Introduction

Management's Discussion and Analysis is intended to provide the reader and user of our financial statements with a narrative overview of the Town's financial activities. Management's Discussion and Analysis (MD&A) should be read in conjunction with the Town's financial statements and notes to the financial statements, beginning on page 8.

The Town of Palmer Lake was founded in 1871 by General William Jackson Palmer and was incorporated in 1889 as a political subdivision of the State of Colorado. The Town operates under a Mayor-Council form of government. Under the guidance of the central administration, which includes financial and technical support, the Town provides a range of services. The services include public safety (police and fire), public utilities (water), infrastructure (drainage, streets and public buildings) and recreation (parks and trails). The Town is nestled at the base of Pike National Forest in the northwest corner of El Paso County, Colorado. The population of Palmer Lake, Colorado is estimated at approximately 2,575 people.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (Net Position) by \$16,291,604 at December 31, 2024. Of this amount \$6,052,699 was unrestricted and available to fund future obligations of the Town.
- Net position of governmental activities increased by \$2,329,481 and net position of business-type activities increased by \$890,113.
- As of December 31, 2024, the General Fund had a fund balance of \$4,721,784. Of this amount \$4,368,537 was unassigned and available for use to meet the Town's current obligations.
- As of December 31, 2024, the Water Enterprise Fund had a fund balance of \$6,205,977 which is an increase of \$890,113 from December 31, 2023.

Overview of the Financial Statements of the Town:

The audited financial statements of the Town are:

- Statement of Net Position
- Statement of Activities
- Balance Sheet - Governmental Funds
- Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds
- Statement of Net Position - Proprietary Fund
- Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund
- Statement of Cash Flows - Proprietary Fund
- Notes to the Financial Statements

Town of Palmer Lake, Colorado Management's Discussion and Analysis For the Year Ending December 31, 2024

The financial statements of the Town are presented as a special purpose government engaged in business and government type activities. These financial statements distinguish between the functions of the Town that will be principally supported by taxes.

The **Statement of Net Position** is prepared using the full accrual basis of accounting and provides information about what is owned (assets) by the Town, what is owed (liabilities) by the Town, and what is the Town's equity in its assets (net position). Over time, the comparison of changes in net position may provide a useful method of evaluating whether the financial position of the Town is improving, deteriorating, or maintaining a status quo.

The **Statement of Activities** provides information about the components - Program Expenses, Program Revenue and General Revenue - of the Town's annual operating activities and how those activities affected net position during the current fiscal year.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town are governmental or proprietary funds.

Governmental Funds

The **Balance Sheet - Governmental Funds** presents the financial position of the Town's funds using the traditional government modified accrual method of accounting, which does not reflect capital assets and debt obligations.

The **Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds** presents the activities of the Town's funds using the modified accrual method of accounting which includes expenditures for capital assets and debt service obligations. This method approximates the reporting on a cash basis and closely follows the budgetary method.

The two reconciliations, which accompany these governmental funds statements, provide explanations of the specific differences in these statements as compared to the Statement of Net position and the Statement of Activities.

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

Town of Palmer Lake, Colorado Management's Discussion and Analysis For the Year Ending December 31, 2024

Proprietary Funds

Enterprise funds are used to report any activity for which it is primarily funded by charging a fee to external users for goods and services, and operate in a manner similar to private sector businesses. The Town utilizes one enterprise fund to account for water operations. The proprietary fund financial statements provide the same type of information as shown in the government-wide financial statements.

The **Notes to Financial Statements** provide additional, required disclosures about the Town, its accounting policies and practices, its financial position and operating activities, and other required information. The information included in these notes is essential to a full understanding of the information contained in the financial statements.

Condensed Comparative Financial Information:

Statement of Net Position

	Governmental Activities		Business-type Activities		Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 5,919,912	\$ 4,533,282	\$ 1,777,973	\$ 1,640,156	\$ 7,697,885	\$ 6,173,438
Noncurrent assets	5,287,583	4,337,973	5,865,225	5,870,252	11,152,808	10,208,225
Total assets	<u>11,207,495</u>	<u>8,871,255</u>	<u>7,643,198</u>	<u>7,510,408</u>	<u>18,850,693</u>	<u>16,381,663</u>
Deferred outflows	<u>307,672</u>	<u>371,323</u>	-	-	<u>307,672</u>	<u>371,323</u>
Long-term debt	57,663	56,785	1,262,376	1,858,608	1,320,039	1,915,393
Other liabilities	153,538	168,361	174,845	335,936	328,383	504,297
Total liabilities	<u>211,201</u>	<u>225,146</u>	<u>1,437,221</u>	<u>2,194,544</u>	<u>1,648,422</u>	<u>2,419,690</u>
Deferred inflows	<u>1,218,339</u>	<u>1,261,286</u>	-	-	<u>1,218,339</u>	<u>1,261,286</u>
Net position						
Net investment in capital assets	4,801,955	3,837,973	5,124,306	4,353,773	9,926,261	8,191,746
Restricted	209,158	175,549	103,486	216,571	312,644	392,120
Unrestricted	5,074,514	3,742,624	978,185	745,520	6,052,699	4,488,144
Total net position	<u>\$ 10,085,627</u>	<u>\$ 7,756,146</u>	<u>\$ 6,205,977</u>	<u>\$ 5,315,864</u>	<u>\$ 16,291,604</u>	<u>\$ 13,072,010</u>

Statement of Activities

	Governmental Activities		Business-type Activities		Primary Government	
	2024	2023	2024	2023	2024	2023
Program expenses	\$ 3,298,923	\$ 2,671,910	\$ 1,266,093	\$ 1,204,103	\$ 4,565,016	\$ 3,876,013
Program revenue	547,819	579,023	2,089,263	1,589,815	2,637,082	2,168,838
Net program expense (revenue)	<u>2,751,104</u>	<u>2,092,887</u>	<u>(823,170)</u>	<u>(385,712)</u>	<u>1,927,934</u>	<u>1,707,175</u>
General revenue	<u>5,080,585</u>	<u>3,326,952</u>	<u>66,943</u>	<u>112,537</u>	<u>5,147,528</u>	<u>3,439,489</u>
Change in net position	<u>2,329,481</u>	<u>1,234,065</u>	<u>890,113</u>	<u>498,249</u>	<u>3,219,594</u>	<u>1,732,314</u>
Net position, beginning of year	7,756,146	6,522,081	5,315,864	4,817,615	13,072,010	11,339,696
Net position, end of year	<u>\$ 10,085,627</u>	<u>\$ 7,756,146</u>	<u>\$ 6,205,977</u>	<u>\$ 5,315,864</u>	<u>\$ 16,291,604</u>	<u>\$ 13,072,010</u>

Town of Palmer Lake, Colorado Management's Discussion and Analysis For the Year Ending December 31, 2024

This foregoing information is a summary of the financial information contained in the Town's financial statements. For more about the information contained in this condensed, comparative financial information, we recommend a close review of the accompanying audited financial statements beginning on page 8.

Discussion of Financial Position and Operating Activities

The Town restricted three percent (3%) of its general revenues for emergencies in accordance with TABOR requirements. The Town had a TABOR reserve of \$130,000 on December 31, 2024.

The Town's total assets are comprised primarily of cash and equivalents, receivables for water service and long-term capital assets. The Town's total liabilities are comprised primarily of long-term debt and current liabilities related to ongoing operations.

In 2024, program expenses exceeded program revenues by \$1,927,934 for the primary government. This was offset by net general revenues of \$5,147,528, which resulted in an overall increase in net position. See the accompanying Financial Statements for details of these revenues and expenses.

Fund Discussion

Governmental Funds

The Governmental Funds - General Fund balance increased to \$4,721,784 in 2024. The fund balance includes \$130,000 for emergencies in accordance with TABOR requirements. The assets and liabilities are comprised primarily of cash and property tax revenues to be realized in 2025. As of December 31, 2024, the Town's combined fund balance for all governmental funds was \$4,800,942.

General Fund Budgetary Discussion

Actual revenues for 2024 were \$701,391 higher than the final budget primarily due to tax revenues being higher than anticipated. Actual expenditures for 2024 were \$605,799 less than the final budget primarily due to public works and capital outlay expenditures being less than anticipated. See the accompanying financial statements for more detail.

Proprietary Fund

The Water Enterprise Fund balance was \$6,205,977 on December 31, 2024. The assets and liabilities are comprised primarily of cash, water accounts receivable and capital assets. Actual revenues for 2024 were \$25,590 higher than the final budget. Actual expenses for 2024 were \$561,866 less than the final budget. See the accompanying financial statements for more detail.

Town of Palmer Lake, Colorado Management's Discussion and Analysis For the Year Ending December 31, 2024

Capital Assets and Long-Term Obligations

Capital Assets

At the end of 2024, the Town had \$11,152,808 invested in a broad range of capital assets including major infrastructure such as buildings, roads, bridges, storm water drainage, and parks, and water lines and distribution systems. More detailed information on the Town's capital assets is presented in the accompanying notes to the financial statements.

Long-Term Debt

In 2019, the General Fund loaned the Water Enterprise Fund \$500,000. The proceeds of the loan were used to complete the Water Tank project. The loan is secured by a twenty year note that bears interest at 2% per annum. The remaining activity relating to long-term debt was the scheduled payment of debt.

Economic Factors and Next Year's Budget

Continuing a conservative approach to budgeting, the Town of Palmer Lake continues to provide all services to its citizens. With anticipation of a healthy economy, it was projected that 2025 General Fund revenues and a portion of the fund balance for one-time items and projects, along with increased sales tax revenue, would allow the budgeted expenditures to be funded. While we anticipated a slight increase in sales tax revenue, budgeted expenditures remained within the budget. It was projected that 2025 Water Fund revenues would allow the budgeted expenditures to be funded. We anticipated a slight increase in water billing revenue and budgeted expenditures remain within the budget.

Requests for Information. This financial report is designed to provide a general overview of the Town of Palmer Lake, Colorado's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Town of Palmer Lake, 42 Valley Crescent, PO Box 208, Palmer Lake, CO 80133.

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Basic Financial Statements

Town of Palmer Lake, Colorado Statement of Net Position December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
<i>Current Assets</i>			
Cash and Cash Equivalents - Unrestricted	\$ 3,611,023	\$ 1,257,829	\$ 4,868,852
Cash and Cash Equivalents - Restricted	-	103,486	103,486
Accounts Receivable	865,700	124,702	990,402
Taxes Receivable	1,173,665	-	1,173,665
Due from Other Governments	250,620	290,699	541,319
Due from County Treasurer	9,807	-	9,807
Prepaid Expenses	9,097	1,257	10,354
Total Current Assets	5,919,912	1,777,973	7,697,885
<i>Noncurrent Assets</i>			
Due from Other Funds	485,628	(485,628)	-
Capital Assets, Not Being Depreciated	170,504	560,000	730,504
Capital Assets, Net of Accumulated Depreciation	4,631,451	5,790,853	10,422,304
Total Noncurrent Assets	5,287,583	5,865,225	11,152,808
Total Assets	11,207,495	7,643,198	18,850,693
Deferred Outflows of Resources			
Pensions	307,672	-	307,672
Total Deferred Outflows of Resources	307,672	-	307,672
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	13,354	8,356	21,710
Accrued Expenses	140,184	9,904	150,088
Accrued Interest	-	6,196	6,196
Loans Payable, Current Portion	-	150,389	150,389
Total Current Liabilities	153,538	174,845	328,383
<i>Non-Current Liabilities</i>			
Compensated Absences	57,125	35,829	92,954
Bonds Payable	-	1,226,547	1,226,547
Net Pension/OPEB Liability	538	-	538
Total Non-Current Liabilities	57,663	1,262,376	1,320,039
Total Liabilities	211,201	1,437,221	1,648,422
Deferred Inflows of Resources			
Property Taxes	1,173,665	-	1,173,665
Pension	44,674	-	44,674
Total Deferred Inflows of Resources	1,218,339	-	1,218,339
Net Position			
Net Investment in Capital Assets	4,801,955	5,124,306	9,926,261
Restricted	209,158	103,486	312,644
Unrestricted	5,074,514	978,185	6,052,699
Total Net Position	\$ 10,085,627	\$ 6,205,977	\$ 16,291,604

See Notes to the Financial Statements.

Town of Palmer Lake, Colorado Statement of Activities For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 955,512	\$ 67,289	\$ -	\$ -	\$ (888,223)	\$ -	\$ (888,223)
Public Safety	1,741,993	76,002	319,982	49,901	(1,296,108)	-	(1,296,108)
Highways & Streets	507,788	1,989	-	-	(505,799)	-	(505,799)
Culture and Recreation	93,630	-	32,656	-	(60,974)	-	(60,974)
Total Governmental Activities	<u>3,298,923</u>	<u>145,280</u>	<u>352,638</u>	<u>49,901</u>	<u>(2,751,104)</u>	<u>-</u>	<u>(2,751,104)</u>
Business-Type Activities							
Water and Sewer	1,266,093	1,404,196	-	685,067	-	823,170	823,170
Total Business-Type Activities	<u>1,266,093</u>	<u>1,404,196</u>	<u>-</u>	<u>685,067</u>	<u>-</u>	<u>823,170</u>	<u>823,170</u>
Total Primary Government	<u>\$ 4,565,016</u>	<u>\$ 1,549,476</u>	<u>\$ 352,638</u>	<u>\$ 734,968</u>	<u>(2,751,104)</u>	<u>823,170</u>	<u>(1,927,934)</u>
General Revenues							
Property Taxes					1,243,755	-	1,243,755
Specific Ownership Taxes					120,666	-	120,666
Sales and Use Taxes					1,563,950	-	1,563,950
Highway User Taxes					119,166	-	119,166
Franchise and Other Taxes					1,017,617	-	1,017,617
Intergovernmental					852,857	-	852,857
Tap Fees & Development Charges					-	73,057	73,057
Investment Income					99,508	33,391	132,899
Other					22,766	795	23,561
Transfers					<u>40,300</u>	<u>(40,300)</u>	<u>-</u>
Total General Revenues					<u>5,080,585</u>	<u>66,943</u>	<u>5,147,528</u>
Change in Net Position					2,329,481	890,113	3,219,594
Net Position, Beginning of Year					<u>7,756,146</u>	<u>5,315,864</u>	<u>13,072,010</u>
Net Position, End of Year					<u>\$ 10,085,627</u>	<u>\$ 6,205,977</u>	<u>\$ 16,291,604</u>

Town of Palmer Lake, Colorado
Balance Sheet
Governmental Funds
December 31, 2024

	General	Conservation Trust	Total
Assets			
<i>Current Liabilities</i>			
Cash and Cash Equivalents	\$ 3,531,865	\$ 79,158	\$ 3,611,023
Restricted Cash and Cash Equivalents			
Accounts Receivable	865,700	-	865,700
Taxes Receivable	1,173,665	-	1,173,665
Due from Other Governments	250,620	-	250,620
Due from County Treasurer	9,807	-	9,807
Due from Other Funds	485,628	-	485,628
Prepaid Expenses	9,097	-	9,097
	<u>6,326,382</u>	<u>79,158</u>	<u>6,405,540</u>
Total Assets			
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	13,354	-	13,354
Accrued Expenses	140,184	-	140,184
	<u>153,538</u>	<u>-</u>	<u>153,538</u>
Total Liabilities			
Deferred Inflows of Resources			
Unavailable Revenue	277,395	-	277,395
Property Taxes	1,173,665	-	1,173,665
Total Deferred Inflows of Resources	<u>1,451,060</u>	<u>-</u>	<u>1,451,060</u>
Net Position			
Nonspendable	9,097	-	9,097
Restricted	130,000	79,158	209,158
Assigned	214,150	-	214,150
Unrestricted	4,368,537	-	4,368,537
	<u>4,721,784</u>	<u>79,158</u>	<u>4,800,942</u>
Total Fund Balance	\$	\$	\$

Town of Palmer Lake, Colorado
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
For the Year Ended December 31, 2024

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

Net Change in Fund Balance of Governmental Funds	\$ 4,800,942
Capital Assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	
Capital Assets, net	4,801,955
Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.	
Fire Deployment Reimbursement	277,395
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds.	
Compensated Absences	(57,125)
Pension related assets, liabilities, deferred outflows of resources, and deferred inflows of resources are not current financial resources and, therefore, are not reported in the governmental funds.	
Deferred Outflows of Resources	307,672
Pension Liabilities	(538)
Deferred Inflows of Resources	<u>(44,674)</u>
Change in Net Position of Governmental Activities	<u>\$ 10,085,627</u>

Town of Palmer Lake, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
December 31, 2024

	General	Conservation Trust	Total
Revenues			
Taxes:			
Property Taxes	\$ 1,243,755	\$ -	\$ 1,243,755
Specific Ownership Taxes	120,666	-	120,666
Sales and Use Taxes	1,563,950	-	1,563,950
Highway User Tax	119,166	-	119,166
Franchise Fees and Other Taxes	1,017,617	-	1,017,617
Intergovernmental	8,768	32,656	41,424
Licenses and Permits	69,278	-	69,278
Fines and Forfeitures	67,234	-	67,234
Grant Revenue	852,857	-	852,857
Investment Income	97,931	1,577	99,508
Dispatch Revenue - Fire	74,744	-	74,744
Miscellaneous	47,275	-	47,275
Total Revenue	<u>5,283,241</u>	<u>34,233</u>	<u>5,317,474</u>
Expenditures			
Current			
General Government	914,088	-	914,088
Public Safety	1,730,246	-	1,730,246
Public Works	378,984	-	378,984
Culture and Recreation	30,816	14,119	44,935
Capital Outlays	1,259,439	-	1,259,439
Total Expenditures	<u>4,313,573</u>	<u>14,119</u>	<u>4,327,692</u>
Excess of Revenues Over Expenditures	969,668	20,114	989,782
Other Financing Sources (Uses)			
Developer Contributions	49,901	-	49,901
Transfers Out	40,300	-	40,300
Total Other Financing Sources (Uses)	<u>90,201</u>	<u>-</u>	<u>90,201</u>
Net Change in Fund Balance	1,059,869	20,114	1,079,983
Fund Balance, Beginning of Year	<u>3,661,915</u>	<u>59,044</u>	<u>3,720,959</u>
Fund Balance, End of Year	<u>\$ 4,721,784</u>	<u>\$ 79,158</u>	<u>\$ 4,800,942</u>

Town of Palmer Lake, Colorado

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2024

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

Net Change in Fund Balance of Governmental Funds	\$ 1,079,983
<p>Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. Dispositions of capital assets are reported in governmental funds as revenues. However, for governmental activities, those costs are capitalized in the Statement of Net Position and are allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. Dispositions are reported as reductions in capital assets and in accumulated depreciation on the Statement of Activities.</p>	
Capital Outlay	1,259,439
Disposal of Capital Assets	(24,509)
Depreciation Expense	(270,948)
Changes in unavailable revenues not available within 60 days of the end of the year are presented in the year in which they become available in the governmental funds and when they are earned in the government-wide statements	245,238
Changes in pension assets, liabilities, deferred inflows of resources and deferred outflows of resources related to defined benefit retirement plans do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.	38,761
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term leases consume current financial resources of governmental funds.	
Compensated Absences	<u>1,517</u>
Change in Net Position of Governmental Activities	<u>\$ 2,329,481</u>

Town of Palmer Lake, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2024

	<u>Water</u>
Assets	
Current Assets	
Cash and Investments	\$ 1,257,829
Restricted Cash and Investments	103,486
Accounts Receivable	124,702
Due from Other Governments	290,699
Prepaid Expenses	1,257
Total Current Assets	<u>1,777,973</u>
Non-Current Assets	
Capital Assets, <i>Not Being Depreciated</i>	560,000
Capital Assets, <i>Net of Accumulated Depreciation</i>	5,790,853
Total Noncurrent Assets	<u>6,350,853</u>
Total Assets	<u>\$ 8,128,826</u>
Liabilities	
Current Liabilities	
Accounts Payable	\$ 8,356
Accrued Salaries	6,196
Accrued Interest	9,904
Due to Other Funds	485,628
Long-Term Debt, <i>Current Portion</i>	150,389
Total Current Liabilities	<u>660,473</u>
Non-Current Liabilities	
Compensated Absences	35,829
Bonds Payable	1,226,547
Total Non-current Liabilities	<u>1,262,376</u>
Total Liabilities	<u>1,922,849</u>
Net Position	
Investment in Capital Assets	5,124,306
Restricted for Debt Service	103,486
Unrestricted	978,185
Total Net Position	<u>\$ 6,205,977</u>

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

	<u>Utility</u>
Operating Revenues	
Charges for Services	\$ 1,694,895
Other Income	<u>795</u>
Total Operating Revenues	<u>1,695,690</u>
Operating Expenses	
Administration	133,501
Operations and Maintenance	783,552
Depreciation	<u>309,424</u>
Total Operating Expenses	<u>1,226,477</u>
Net Operating Gain (Loss)	<u>469,213</u>
Nonoperating Revenues (Expenses)	
Grant Revenue	394,368
Water Tap Fees	73,057
Investment Income	33,391
Interest Expense	(39,616)
Transfers Out	<u>(40,300)</u>
Total Nonoperating Revenues (Expenses)	<u>420,900</u>
Change in Net Position	890,113
Net Position, <i>Beginning of Year</i>	<u>5,315,864</u>
Net Position, <i>End of Year</i>	<u>\$ 6,205,977</u>

Town of Palmer Lake, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Utility
Cash Flows From Operating Activities	
Cash Received from Customers	\$ 1,717,525
Cash Received from Grants and Contributions	795
Cash Paid to Employees	(1,864)
Cash Paid to Suppliers	(929,604)
Net Cash Used in Operating Activities	786,852
Cash Flows From Investing Activities	
Interest Received	33,391
Net Cash Provided by Investing Activities	33,391
Cash Flows from Non-capital Financing Activities	
Cash Received from Connection Charges	73,057
Net Cash Provided by Non-Capital Financing Activities	73,057
Cash Flows From Capital and Related Financing Activities	
Acquisition of Capital Assets	(790,025)
Capital Contributions	-
Interest Paid	(36,413)
Transfers Between Funds	(54,672)
Principal Payments	(143,524)
Net Cash Provided by Capital and Related Financing Activities	(1,024,634)
Net Change in Cash and Cash Equivalents	(131,334)
Cash and Cash Equivalents, Beginning of Year	1,389,163
Cash and Cash Equivalents, End of Year	\$ 1,257,829
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities	
Net Operating Gain/(Loss)	\$ 469,213
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities	
Depreciation	309,424
Changes in Assets and Liabilities Related to Operations	
Accounts Receivable	22,630
Prepaid Expenses	(1,082)
Accounts Payable	(11,469)
Accrued Salaries and Benefits	(3,897)
Deferred Revenue	-
Compensated Absences Payable	2,033
Net Cash Used in Operating Activities	\$ 786,852

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies

The Town of Palmer Lake, Colorado (the Town) was organized as a statutory town in Colorado. The Town provides general government, public works (roads and streets), police, fire and water for the geographical area organized as the Town of Palmer Lake, Colorado.

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

Reporting Entity

The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the Town.

Based on the application of these criteria, the Town does not include additional organizations within its reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

Town of Palmer Lake, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current year.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the Town.

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

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

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

In the fund financial statements, the Town reports the following major governmental fund:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those accounted for in the enterprise fund.

Additionally, the Town reports the following major proprietary fund:

The *Water Fund* is an enterprise fund that accounts for the financial activities associated with the provision of water and sewer services.

Town of Palmer Lake, Colorado

Notes to Financial Statements

December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance

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

Interfund Receivables and Payables - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as *interfund receivables* and *interfund payables*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*.

Capital Assets - Capital assets, which include land, water rights, water and sewer systems, infrastructure, parks, buildings, vehicles, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of donation.

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

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

Land	30 years
Buildings	30 years
Building Improvements	5 - 10 years
Furniture and Equipment	5 - 10 years
Infrastructure	30 years

Compensated Absences - Employees of the Town are allowed to accumulate up to 120 hours of unused vacation time and up to 240 hours of unused sick time. Upon termination of employment from the Town, an employee will be compensated for all accrued vacation time, and one-half of any accrued sick time. Compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. A liability is recorded in the governmental fund financial statements only when payment is due.

Deferred Inflows of Resources - Deferred inflows of resources are acquisitions of net assets by the government that are applicable to a future reporting period and include property taxes earned but levied for a subsequent year as well as deferred revenues.

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 1: Summary of Significant Accounting Policies (Continued)

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

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. Committed fund balance represents amounts constrained by the Board of Trustees, which is the highest level of decision-making authority, by formal action (resolution). The policy approved by the Board of Trustees established the Town’s ideal target reserves at 40% of the current operating budget of the General Fund. The reserves should not be allowed to fall below 20% of the current operating budget, including the emergency reserves required by the TABOR Amendment (See Note 7). The Board of Trustees has authorized the Town Administrator or her designee to assign fund balances for specific purposes consistent with the adopted budget. If both restricted and unrestricted fund balances are available, the Town uses restricted fund balance first, followed by committed, assigned and unassigned.

Property Taxes

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

Subsequent Events

The Town has evaluated subsequent events through **February XX, 2026**, the date the financial statements were available to be issued.

Note 2: Cash and Investments

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

Petty Cash	\$	200
Cash Deposits		2,633,020
Investments		<u>2,339,118</u>
Total	\$	<u>4,972,338</u>

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 2: Cash and Investments (Continued)

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels (FDIC) must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2024, the Town had bank deposits of \$2,530,918 collateralized with securities held by the financial institutions' agents but not in their name.

Investments

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

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

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

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

Concentration of Credit Risk - State statutes do not limit the amount the Town may invest in a single issuer of investment securities, except for corporate securities.

Local Government Investment Pool - At December 31, 2024, the Town had \$2,339,118 invested in the Colorado Local Government Liquid Asset Trust (Colostrust).

Colostrust - Colostrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables. This investment is valued using the NAV per share (or its equivalent) of the investments.

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 2: Cash and Investments (Continued)

Investments (Continued)

Colotrust is an investment vehicle established by state statute for local entities in Colorado to pool surplus funds for investment purposes and are registered with the State Securities Commissioner. The pools operate similarly to money market funds and each share is equal in value to \$1.00. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the participating governments. Investments of the pools consist of US Treasury bills, notes, and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by US Treasury securities and or US Instrumentalities. Colotrust is rated AAAM by Standard and Poor's. Information regarding Colotrust's financial statements is available at their website www.colotrust.com.

Note 3: Capital Assets

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

	Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24
Governmental Activities					
<i>Capital Assets, Not Being Depreciated</i>					
Land	\$ 11,005	\$ -	\$ -	\$ -	\$ 11,005
Master Plan	68,639	-	-	-	68,639
Construction in Progress	130,861	1,111,882	(1,151,883)	-	90,860
Total Capital Assets, Not Being Depreciated	210,505	1,111,882	(1,151,883)	-	170,504
<i>Capital Assets, Being Depreciated</i>					
Buildings	1,120,877	17,146	53,755	-	1,191,778
Roads and Drainage	2,276,028	-	1,098,128	-	3,374,156
Equipment	2,410,956	130,411	-	(39,485)	2,501,882
Total Capital Assets, Being Depreciated	5,807,861	147,557	1,151,883	(39,485)	7,067,816
<i>Less Accumulated Depreciation</i>					
Buildings	(148,129)	(42,436)	-	-	(190,565)
Roads and Drainage	(779,133)	(114,145)	-	-	(893,278)
Equipment	(1,253,131)	(114,367)	-	14,976	(1,352,522)
Total Accumulated Depreciation	(2,180,393)	(270,948)	-	14,976	(2,436,365)
Total Capital Assets, Being Depreciated	3,627,468	(123,391)	1,151,883	(24,509)	4,631,451
Governmental Activities Capital Assets, Net	\$ 3,837,973	\$ 988,491	\$ -	\$ (24,509)	\$ 4,801,955

Depreciation expense was charged to governmental programs of the Town as follows:

General Government	\$	42,941
Public Safety		50,508
Public Works		128,804
Culture and Recreation		48,695
Total	\$	270,948

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 3: Capital Assets (Continued)

	Balance 12/31/23	Additions	Transfers	Deletions	Balance 12/31/24
Business-Type Activities					
<i>Capital Assets, Not Being Depreciated</i>					
Land and Water Rights	\$ 560,000	\$ -	\$ -	\$ -	\$ 560,000
Total Capital Assets, Not Being Depreciated	560,000	-	-	-	560,000
<i>Capital Assets, Being Depreciated</i>					
Reservoirs, Lakes	150,233	-	-	-	150,233
Water Facility	5,533,543	-	-	-	5,533,543
Shop Building	121,825	-	-	-	121,825
Collection/Transmission/Distribution	3,480,255	764,618	-	-	4,244,873
Wells	846,767	-	-	-	846,767
General Equipment	417,712	25,407	-	-	443,119
Total Capital Assets, Being Depreciated	10,550,335	790,025	-	-	11,340,360
<i>Less Accumulated Depreciation</i>					
Reservoirs, Lakes	(99,770)	-	-	-	(99,770)
Water Facility	(3,069,992)	(163,049)	-	-	(3,233,041)
Shop Building	(121,825)	-	-	-	(121,825)
Collection/Transmission/Distribution	(1,179,847)	(61,803)	-	-	(1,241,650)
Wells	(386,832)	(33,934)	-	-	(420,766)
General Equipment	(381,817)	(50,638)	-	-	(432,455)
Total Accumulated Depreciation	(5,240,083)	(309,424)	-	-	(5,549,507)
Total Capital Assets, Being Depreciated, net	5,310,252	480,601	-	-	5,790,853
Business-Type Activities Capital Assets, net	\$ 5,870,252	\$ 480,601	\$ -	\$ -	\$ 6,350,853

Note 4: Long-Term Debt

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

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024	Due Within One Year
Business-Type Activities					
2009 CWRPDA Bond	\$ 636,845	\$ -	\$ (92,696)	\$ 544,149	\$ 94,558
2018 CWRPDA Bond	879,634	-	(50,828)	828,806	51,850
Compensated Absences	37,777	5,810	(3,777)	39,810	3,981
Total	\$ 1,554,256	\$ 5,810	\$ (147,301)	\$ 1,412,765	\$ 150,389

2009 CWRPDA Bond

On July 22, 2009, the Town borrowed \$1,862,552 through the Colorado Water Resource & Power Development Authority (CWRPDA) - Drinking Water Revolving Fund Direct Loan, with an interest rate of 2.0% to fund water resource projects. The loan is payable from the collateralized by the Town's water revenues. The proportion of the pledged revenues to total water revenues can not be determined because annual total fees collected fluctuate.

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)**2009 CWRPDA Bond** (Continued)

Interest on the bonds is due each May 1 and November 1 and commenced on November 1, 2010. Principal is due annually on November 1 through 2030. Future maturities are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 94,558	\$ 10,413	\$ 104,971
2026	96,459	8,512	104,971
2027	98,398	6,573	104,971
2028	100,347	4,624	104,971
2029	102,393	2,578	104,971
2030	<u>51,994</u>	<u>492</u>	<u>52,486</u>
Total	<u>\$ 544,149</u>	<u>\$ 33,192</u>	<u>\$ 577,341</u>

2018 CWRPDA Bond

On March 16, 2018, the Town borrowed \$1,100,000 through the Colorado Water Resource & Power Development Authority (CWRPDA) - Drinking Water Revolving Fund Direct Loan, with an interest rate of 2.0% to fund water resource projects. The loan is payable from and collateralized by the Town's water revenue. The proportion of the pledged revenues to total water revenues can not be determined because annual total fees collected fluctuate.

Interest on the bonds is due each May 1 and November 1 and commenced on November 1, 2010. Principal is due annually on November 1 through 2030. Future maturities are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 51,850	\$ 16,318	\$ 68,168
2026	52,892	15,276	68,168
2027	52,892	14,213	67,105
2028	53,955	13,128	67,083
2029	56,146	12,022	68,168
2030 - 2034	298,120	42,721	340,841
2035 - 2038	<u>262,951</u>	<u>9,722</u>	<u>272,673</u>
Total	<u>\$ 828,806</u>	<u>\$ 123,400</u>	<u>\$ 952,206</u>

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 4: Long-Term Debt (Continued)**General Fund Loan to Water Enterprise Fund**

On May 23, 2019, the Town's Board of Trustees approved a loan of \$500,00 from the General Fund to the Water Enterprise Fund. The loan is a 20-year term and bears interest at a rate of 2.0%. The loan proceeds were utilized to assist in the funding of the Town's Water Tank project. As the loan is between funds within the overall Town government, the loan payable and receivable is reflected in the accompanying financial statements as Due To and From Funds.

Interest payments are due semi-annually on May 1st and November 1st. Principal payments are due semi-annually on May 1st and November 1st and commenced in 2024. Future maturities are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 29,181	\$ 9,567	\$ 38,748
2026	29,768	8,980	38,748
2027	30,365	8,383	38,748
2028	30,976	7,772	38,748
2029	31,599	7,150	38,749
2030 - 2034	167,779	25,961	193,740
2035 - 2039	165,960	8,108	174,068
Total	<u>\$ 485,628</u>	<u>\$ 75,921</u>	<u>\$ 561,549</u>

Note 5: Employee Retirement Plans**FPPA Statewide Retirement Plan**

Plan Description - The Statewide Retirement Plan (SRP) is a cost-sharing multiple-employer defined benefit pension plan. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at <http://www.fppaco.org>.

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

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

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plan (Continued)

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

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

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

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

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost-of-living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers.

Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

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

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

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

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plan (Continued)

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

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

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

Contributions from members and employers of departments re-entering the system are established by resolution and approved by the FPPA Board of Directors. The re-entry group has a combined contribution rate of 20 percent of base salary through 2014. It is a local decision as to whether the member or employer pays the additional 4 percent contribution. Per the 2014-member election, the re-entry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent in 2022.

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent through 2014. Per the 2014 member election, members of the affiliate social security group will have their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

The Town's contributions to the SWDB Plan for the year ended December 31, 2023, were \$61,402, equal to the required contributions.

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

FPPA Statewide Retirement Plan (Continued)

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

The Town and eligible employees are required to contribute to the SWH Plan at rates established by the Town Council. However, the amount allocated to the defined benefit component is set annually by the FPPA Board of Directors, which currently must be at least 8% of base salary for the employee and the employer.

At December 31, 2024, the Town reported a net pension liability (asset) of \$0 representing its proportionate share of the net pension asset of the Statewide Retirement Plan.

The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation at January 1, 2023. The Town's proportion of the net pension asset was based on a projection of the Town's contributions to the plans for the calendar year ended December 31, 2024, relative to the projected contributions of all participating employers.

At December 31, 2023, the Town's proportion of the Statewide Retirement Plan was 0.06578877%, which was an increase of 0.00742826% from its proportion measured at December 31, 2022.

For the year ended December 31, 2024, the Town recognized pension expense (Benefit) for the SWDB plan of \$57,404.

At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Statewide Retirement Plan		
Differences between expected and actual experience	\$ 95,476	\$ 4,944
Net difference between projected and actual earnings on plan investments	80,629	-
Changes in assumptions and other inputs	56,105	-
Changes in proportion	-	39,730
Contributions subsequent to the measurement date	72,619	-
Total	\$ 304,829	\$ 44,674

Town of Palmer Lake, Colorado
 Notes to Financial Statements
 December 31, 2024

Note 5: Employee Retirement Plans (Continued)

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

Town contributions to the SWDB plan subsequent to the measurement date were \$72,619 and will be recognized as an increase or decrease to the net pension (asset) liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,	SWDB
2025	\$ 63,814
2026	94,052
2027	34,595
2028	1,582
2029	(2,509)
Thereafter	(3,998)
 Total	 \$ 187,536

Actuarial Assumptions - The actuarial valuation at January 1, 2023, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-Term Investment Rate of Return*	7.5%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
Includes Inflation at	2.5%

Mortality rates were based on the RP-2014 Mortality Table for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Table for Blue Collar Employees was used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used.

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary's unchanged analysis and recommendations from the 2015 Experience Study.

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income Rates	10%	5.35%
Fixed Income Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the Plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.0%.

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.0%, as well as the Town's proportionate share of the net pension (asset) liability if it were calculated using a discount that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's proportionate share of the SRP net pension (asset) liability	\$ 424,111	\$ -	\$ -

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

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

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

FPPA Palmer Lake Volunteer Fire Pension Plan - Defined Benefit Plan

Plan Description - The Palmer Lake Volunteer Fire Pension Plan (Volunteer Plan) is an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report can be obtained on FPPA's website at <http://www.fppaco.org>.

Description of Benefits - The Plan, established and amended by the Plan's Board of Trustees through the Bylaws, provides for a monthly pension of \$250 for volunteers who have satisfied the normal age and service requirements and pro rata pensions for volunteers who have satisfied the normal age but only a portion of the service requirement. It further provides death benefits and a partial pension (50% of the amount the volunteer has earned) for surviving spouses. The normal age and service requirement is the date a volunteer reaches 50 years of age and completes 20 years of service. Pro-rata pensions would apply to volunteers who reached 50 years of age and had between 10 and 20 years of service. A one-time \$100 funeral benefit lump sum is also provided.

Contributions - The Town and eligible employees are required to contribute to the Volunteer Plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The Town and eligible employees each contributed 8% and 11% of base salary, respectively, for the year ended December 31, 2024.

The Town's contributions to the Volunteer Plan for the year ended December 31, 2024, were \$3,808, equal to the required contributions.

At December 31, 2023, the Town reported a net pension liability (asset) of \$538 representing its proportionate share of the net pension asset.

The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation at January 1, 2023. The Town's proportion of the net pension asset was based on a projection of the Town's contributions to the plans for the calendar year ended December 31, 2023, relative to the projected contributions of all participating employers.

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 5: Employee Retirement Plans (Continued)

FPPA Palmer Lake Volunteer Fire Pension Plan - Defined Benefit Plan (Continued)

For the year ended December 31, 2024, the Town recognized pension expense (Benefit) for the Volunteer Plan of \$(790).

At December 31, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Volunteer		
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on plan investments	2,843	-
Changes in assumptions and other inputs	-	-
Changes in proportion	-	-
Contributions subsequent to the measurement date	-	-
Total	\$ 2,843	\$ -

Town contributions to the Volunteer Plan subsequent to the measurement date of \$0 will be recognized as an increase or decrease to the net pension (asset) liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows.

Year Ended December 31,	Volunteer Plan
2025	\$ 619
2026	964
2027	1,544
2028	(284)
2029	-
Thereafter	-
Total	\$ 2,843

Actuarial Assumptions - The actuarial valuation at January 1, 2023, determined the total pension liability using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Actuarial Method	Entry Age
Amortization Method	Level dollar - open
Remaining Amortization Period	20 years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-Term Investment Rate of Return*	7.0%
Projected Salary Increases	N/A
Cost of Living Adjustments (COLA)	None
*Includes Inflation at	2.5%

Town of Palmer Lake, Colorado

Notes to Financial Statements

December 31, 2024

Note 5: Employee Retirement Plans (Continued)

FPPA Palmer Lake Volunteer Fire Pension Plan - Defined Benefit Plan (Continued)

Mortality rates were based on the RP-2014 Mortality Table for Blue Collar Employees projected with Scale BB, using a 55% multiplier for off-duty mortality. The RP-2014 Mortality Table for Blue Collar Employees was used in the projection of post-retirement benefits for members under age 55. For post-retirement members ages 65 and older, the RP-2014 Mortality Tables for Blue Collar Healthy Annuitants were used. For post-retirement members ages 55 through 64, a blend of the previous tables was used.

The current actuarial methods and assumptions were adopted by the FPPA Board of Directors for first use in the actuarial valuation as of January 1, 2016, based upon the actuary's unchanged analysis and recommendations from the 2015 Experience Study.

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

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.65% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.50%.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income Rates	10%	5.35%
Fixed Income Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
	<u>100%</u>	

Town of Palmer Lake, Colorado
 Notes to Financial Statements
 December 31, 2024

Note 5: Employee Retirement Plans (Continued)

FPPA Palmer Lake Volunteer Fire Pension Plan - Defined Benefit Plan (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on this assumption, the plans' fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.0%.

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension (asset) liability calculated using the discount rate of 7.0%, as well as the Town's proportionate share of the net pension (asset) liability if it were calculated using a discount that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate, as follows:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town's proportionate share of the net pension (asset)	\$ <u>4,078</u>	\$ <u>538</u>	\$ <u>(2,573)</u>

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

Death and Disability Benefits

Death and disability coverage is provided to full-time police officers through the Statewide Death and Disability Plan, which is administered by the FPPA. During the past year, the Town's required contribution rate was 2.6% of base salary for members. Town contributions to this plan totaled \$32,646 during 2024, with State supplemental contribution of \$0. Employees are not required to contribute to this plan.

Deferred Compensation Plan

Effective May 1, 2010, employees of the Town who are members of the SWDB may voluntarily contribute to the Voluntary Investment Program ("457 Plan"), an Internal Revenue Code Section 457 defined contribution plan administered by FPPA. Plan participation is optional, and contributions are from others made to FPPA. Title 25, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the 457 Plan provisions to the State Legislature.

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 6: Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Public Entity Risk Pool

For property, liability and workers compensation risks, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes, and the Colorado Constitution, Article XIV, Section 18(2).

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

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

Note 7: Commitments and Contingencies**Litigation**

The Town has pending or threatened litigation. Management believes the outcome of any litigation will not have a significant impact on the Town's financial position.

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. On April 2, 1996, voters authorized the Town to collect, retain, use or expend all revenues, including any reduction in debt service, and to spend such revenues for municipal operations, capital projects, reserve increases, and debt service, beginning January 1, 1996, and each subsequent year without limitation by the restrictions of the Amendment. The Amendment is complex and subject to interpretation. However, the Town's management believes it is in compliance with the provisions of the Amendment.

Town of Palmer Lake, Colorado
Notes to Financial Statements
December 31, 2024

Note 7: Commitments and Contingencies (Continued)

TABOR Amendment (Continued)

The Town has established emergency reserves, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2024, the Town reported emergency reserves of \$130,000 as restricted fund balance in the General Fund.

Required Supplementary Information

Town of Palmer Lake, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance <i>Positive</i> <i>(Negative)</i>
Revenues				
Taxes				
Property Taxes	\$ 1,170,447	\$ 1,245,043	\$ 1,243,755	\$ (1,288)
Specific Ownership Taxes	110,000	110,000	120,666	10,666
Sales and Use Taxes	1,424,000	1,424,000	1,563,950	139,950
Highway Use Tax	90,000	90,000	119,166	29,166
Franchise Fees and Other Taxes	191,025	191,025	1,017,617	826,592
Intergovernmental	7,000	7,000	8,768	1,768
Licenses and Fees	100,000	100,000	69,278	(30,722)
Fines and Forfeits	65,000	65,000	67,234	2,234
Grants and Donations	1,385,959	1,199,782	852,857	(346,925)
Investment Income	80,000	80,000	97,931	17,931
Dispatch Revenue	40,000	40,000	74,744	34,744
Miscellaneous	30,000	30,000	47,275	17,275
Total Revenues	4,693,431	4,581,850	5,283,241	701,391
Expenditures				
Current				
General Governmental	887,809	887,809	914,088	(26,279)
Public Safety	1,643,407	1,643,407	1,730,246	(86,839)
Public Works	542,699	542,699	378,984	163,715
Culture and Recreation	42,100	42,100	30,816	11,284
Capital Outlay	1,794,580	1,803,357	1,259,439	543,918
Total Expenditures	4,910,595	4,919,372	4,313,573	605,799
Excess (Deficiency) of Revenues Over Expenditures	(217,164)	(337,522)	969,668	1,307,190
Other Financing Sources				
Developer Contributions	-	-	49,901	49,901
Transfers to Other Funds	-	40,300	40,300	-
Total Other Financing Sources	-	40,300	90,201	49,901
Net Change in Fund Balance	(217,164)	(297,222)	1,059,869	1,357,091
Fund Balance, Beginning of Year	3,276,067	3,661,915	3,661,915	-
Fund Balance, End of Year	\$ 3,058,903	\$ 3,364,693	\$ 4,721,784	\$ 1,357,091

Town of Palmer Lake, Colorado
 Budgetary Comparison Schedule
 Water Fund
 For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Water Operations Revenue	\$ 1,683,550	\$ 1,683,550	\$ 1,694,895	\$ 11,345
Tap Fees & Development Charges	72,000	72,000	73,057	1,057
Grant Revenue	218,910	391,366	394,368	3,002
Interest Income	24,000	24,000	33,391	9,391
Other Income	-	-	795	795
	-	-	795	795
<i>Total Water Revenue</i>	1,998,460	2,170,916	2,196,506	25,590
Expenditures				
Salaries and Benefits	524,049	524,049	416,934	107,115
Professional Services	193,500	193,500	133,501	59,999
Administrative/Operations	377,500	377,500	366,618	10,882
Capital Outlay	815,723	1,173,894	790,025	383,869
Debt Service	40,746	39,616	39,616	-
	40,746	39,616	39,616	-
<i>Total Water Expenditures</i>	1,951,518	2,308,559	1,746,694	561,865
Excess (Deficiency) of Revenues Over Expenditures	46,942	(137,643)	449,812	587,455
Other Financing Sources				
Transfer to Other Funds	-	(40,300)	(40,300)	-
	-	(40,300)	(40,300)	-
<i>Total Other Financing Sources</i>	-	(40,300)	(40,300)	-
Net Change in Fund Balance (Budgetary Basis)	\$ 46,942	\$ (177,943)	409,512	\$ 587,455
Reconciliation to GAAP Basis				
Capital Outlays			790,025	
Depreciation			(309,424)	
			790,025	
			(309,424)	
Net Change in Fund Balance (GAAP Basis)			\$ 890,113	

Town of Palmer Lake, Colorado
 Required Supplementary Information
 Schedule of Changes in the Net Pension Asset Liability and Related Ratios - FPPA
 For the Year Ended December 31, 2024

	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>	<u>12/31/19</u>
Proportionate Share of the Net Pension Asset					
Town's Proportion of the Net Pension Assets	0.06578877%	0.05836051%	0.04892959%	0.03876016%	0.29751051%
Town's Proportion Share of the Net Pension Asset (Liability)	\$ -	\$ (51,801)	\$ 265,166	\$ 84,148	\$ 16,825
Town's Covered Payroll	\$ 615,250	\$ 507,756	\$ 431,565	\$ 293,012	\$ 277,813
Town's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll	0.0%	-10.2%	61.4%	28.7%	6.1%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.0%	97.7%	116.0%	107.0%	102.0%
	<u>12/31/24</u>	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>	<u>12/31/20</u>
Town Contribution					
Statutorily Required Contribution	\$ 72,709	\$ 61,402	\$ 45,698	\$ 36,683	\$ 23,441
Contributions in Relation to the Statutorily Required Contribution	<u>(72,709)</u>	<u>(61,402)</u>	<u>(45,698)</u>	<u>(36,683)</u>	<u>(23,441)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 728,451	\$ 615,250	\$ 507,756	\$ 431,565	\$ 293,012
Contributions as a Percentage of Covered Payroll	9.98%	9.98%	9.00%	8.50%	8.00%

This schedule is presented to show information for 10 years.

(Continued)

Town of Palmer Lake, Colorado
 Required Supplementary Information
 Schedule of Changes in the Net Pension Asset Liability and Related Ratios - FPPA
 For the Year Ended December 31, 2024
 (Continued)

	12/31/18	12/31/17	12/31/16	12/31/15	12/31/14
Proportionate Share of the Net Pension Asset					
Town's Proportion of the Net Pension Assets	0.03000101%	0.03844266%	0.02193314%	0.47717000%	1.05819994%
Town's Proportion Share of the Net Pension Asset (Liability)	\$ (37,841)	\$ 55,306	\$ (7,925)	\$ 173	\$ 11,943
Town's Covered Payroll	\$ 208,036	\$ 115,692	\$ 107,003	\$ 47,590	\$ 47,590
Town's Proportionate Share of the Net Pension Asset (liability) as a Percentage of Covered Payroll	-18.2%	47.8%	-7.4%	0.4%	25.1%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.0%	98.0%	98.0%	100.0%	107.0%
	12/31/19	12/31/18	12/31/17	12/31/16	12/31/15
Town Contribution					
Statutorily Required Contribution	\$ 22,225	\$ 16,643	\$ 9,255	\$ 8,560	\$ 3,807
Contributions in Relation to the Statutorily Required Contribution	<u>(22,225)</u>	<u>(16,643)</u>	<u>(9,255)</u>	<u>(8,560)</u>	<u>(3,807)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's Covered Payroll	\$ 277,813	\$ 208,036	\$ 115,692	\$ 107,003	\$ 47,590
Contributions as a Percentage of Covered Payroll	8.00%	8.00%	8.00%	8.00%	8.00%

This schedule is presented to show information for 10 years.

Town of Palmer Lake, Colorado
 Required Supplementary Information
 Schedule of Changes in the Net Pension Liability and Related Ratios - Last Ten Years
 Plamer Lake Volunteer Fireman Pension Plan
 For the Year Ended December 31, 2024

	2024	2023	2022	2021	2020
Total Pension Liability					
Service Cost	\$ -	\$ -	\$ -	\$ 264	\$ 264
Interest on Pension Liability	3,958	3,882	4,256	4,741	5,075
Difference between Expected and Actual Experience	-	7,048	-	(2,213)	-
Change in Assumptions or Other Inputs	-	(381)	-	-	-
Benefit Payments	(9,300)	(9,600)	(9,600)	(9,600)	(10,600)
Net Change in Total Pension Liability	(5,342)	949	(5,344)	(6,808)	(5,261)
Total Pension Liability - Beginning of Year	61,118	60,169	65,513	72,321	77,582
Total Pension Liability - End of Year	55,776	61,118	60,169	65,513	72,321
Plan Fiduciary Net Position					
Contributions - Employer	3,808	3,808	8,160	15,851	-
Net Investment Income	5,142	(4,841)	6,461	4,006	3,993
Benefit Payments, Including Refunds of Employee Contributions	(9,300)	(9,600)	(9,600)	(9,600)	(10,600)
Administrative Expenses	(3,973)	(2,631)	(3,153)	(3,012)	(4,098)
State of Colorado Supplemental Discretionary Payments	3,427	7,344	14,266	14,954	-
Net Change in Plan Fiduciary Net Positions	(896)	(5,920)	16,134	22,199	(10,705)
Plan Fiduciary Net Position - Beginning of Year	56,134	62,054	45,920	23,721	34,426
Plan Fiduciary Net Position - End of Year	55,238	56,134	62,054	45,920	23,721
Net Pension Asset (Liability) - End of Year	\$ (538)	\$ (4,984)	\$ 1,885	\$ (19,593)	\$ (48,600)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.0%	91.8%	103.1%	70.1%	32.8%
Town's Covered-employee Payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Total Pension Liability as a Percentage of Covered-employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.

(Continued)

Town of Palmer Lake, Colorado
 Required Supplementary Information
 Schedule of Changes in the Net Pension Liability and Related Ratios - Last Ten Years
 Plamer Lake Volunteer Fireman Pension Plan
 For the Year Ended December 31, 2024
 (Continued)

	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	\$ 1,265	\$ 1,265	\$ 853	\$ 2,571	\$ 1,292
Interest on Pension Liability	6,662	6,891	6,750	4,928	7,310
Difference between Expected and Actual Experience	(15,268)	-	134	-	(617)
Change in Assumptions or Other Inputs	2,012	-	5,504	(39,273)	39,622
Benefit Payments	(10,400)	(12,000)	(11,143)	(11,500)	(12,000)
Net Change in Total Pension Liability	(15,729)	(3,844)	2,098	(43,274)	35,607
Total Pension Liability - Beginning of Year	93,311	97,155	95,057	138,331	102,724
Total Pension Liability - End of Year	77,582	93,311	97,155	95,057	138,331
Plan Fiduciary Net Position					
Contributions - Employer	16,616	-	8,925	8,560	-
Net Investment Income	(12)	4,128	1,074	331	1,138
Benefit Payments, Including Refunds of Employee Contributions	(10,400)	(12,000)	(11,143)	(11,500)	(12,000)
Administrative Expenses	(4,303)	(6,464)	(314)	(1,173)	(413)
State of Colorado Supplemental Discretionary Payments	8,033	13,662	-	9,608	8,406
Net Change in Plan Fiduciary Net Positions	9,934	(674)	(1,458)	5,826	(2,869)
Plan Fiduciary Net Position - Beginning of Year	24,492	25,166	26,624	20,798	23,667
Plan Fiduciary Net Position - End of Year	34,426	24,492	25,166	26,624	20,798
Net Pension Asset (Liability) - End of Year	\$ (43,156)	\$ (68,819)	\$ (71,989)	\$ (68,433)	\$ (117,533)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.4%	26.2%	25.9%	28.0%	15.0%
Town's Covered-employee Payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Total Pension Liability as a Percentage of Covered-employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.

Town of Palmer Lake, Colorado
Notes to Required Supplementary Information
December 31, 2024

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the Town. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the Utility Fund are presented on a non-GAAP budgetary basis. Capital outlay and debt principal are budgeted as expenditures, and depreciation is not budgeted.

The Town follows these procedures in establishing the budgetary information reflected in the financial statements:

- Management submits to the Board of Trustees a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.
- Management is authorized to transfer budgeted amounts within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.
- All appropriations lapse at year end.

Supplementary Information

Town of Palmer Lake, Colorado
Budgetary Comparison Schedule
Conservation Trust Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental	\$ 36,140	\$ 36,140	\$ 32,656	\$ (3,484)
Investment Income	1,200	1,200	1,577	377
<i>Total CTF Revenue</i>	<u>37,340</u>	<u>37,340</u>	<u>34,233</u>	<u>(3,107)</u>
Expenditures				
Culture and Recreation	17,380	17,380	14,119	3,261
Capital Outlay	19,000	19,000	-	19,000
<i>Total CTF Expenditures</i>	<u>36,380</u>	<u>36,380</u>	<u>14,119</u>	<u>22,261</u>
Excess (Deficiency) of Revenues Over Expenditures	960	960	20,114	19,154
Net Change in Fund Balance	960	960	20,114	19,154
Fund Balance, Beginning of Year	<u>50,561</u>	<u>50,561</u>	<u>59,044</u>	<u>8,483</u>
Fund Balance, End of Year	<u>\$ 51,521</u>	<u>\$ 51,521</u>	<u>\$ 79,158</u>	<u>\$ 27,637</u>

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Compliance Section

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Single Audit

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance, and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and Members of the Board of Trustees
Town of Palmer Lake, Colorado
Palmer Lake, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Town of Palmer Lake, Colorado (the Town), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated February XX, 2026.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Englewood, Colorado
February XX, 2026

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by *Uniform Guidance*

Honorable Mayor and Members of the Board of Trustees
Town of Palmer Lake, Colorado
Palmer Lake, Colorado

Report on Compliance for Each Major Federal Program

Opinion Report on Compliance for Each Major Federal Program

We have audited the Town of Palmer Lake, Colorado's (the Town's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the Town's major federal programs for the year ended December 31, 2024. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town. We issued our report thereon dated February XX, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements 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.

Town of Palmer Lake, Colorado Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Grant Member Pass-through Entity Identity Number	Federal Expenditures
U.S. Department of Justice			
<i>Passed through the Department of Justice of Community Oriented Policing Services</i>			
Public Safety Partnership and Community Policing	16.710	15JCOPS-23-GG-01743-PPSE	\$ 84,821
<i>Passed through the Colorado Division of Criminal Justice Office of Adult and Juvenile Justice Assistance</i>			
Edward Byrne Memorial Justice Assistance Grant	16.738	n/a	<u>2,400</u>
Total U.S. Department of Justice			<u>87,221</u>
U.S. Department of Labor			
<i>Passed through the State of Colorado Department of Labor and Employment</i>			
Registered Apprenticeship	17.285	n/a	<u>7,500</u>
Total U.S. Department of Labor			<u>7,500</u>
U.S. Department of Transportation			
<i>Passed through Colorado Department of Transportation</i>			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	STM M026-007 (25948)	<u>909,308</u>
Total U.S. Department of Transportation			<u>909,308</u>
U.S. Department of Treasury			
<i>Passed through Colorado Department of Transportation</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	ARPA M026-006 (25649)	<u>75,950</u>
Total U.S. Department of Treasury			<u>75,950</u>
Total Expenditures of Federal Awards			<u>\$ 1,079,979</u>

Town of Palmer Lake, Colorado
Notes to the Schedule of Expenditures of Federal Awards
December 31, 2024

Note 1: Basis of Presentation

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

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Town has elected to not use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Town of Palmer Lake, Colorado
Schedule of Findings and Questioned Costs
December 31, 2024

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Award Findings and Questioned Costs

No current year findings or questioned costs were reported.

Town of Palmer Lake, Colorado
Schedule of Prior Year Findings
December 31, 2024

Findings Required to be Reported by the Uniform Guidance

No items requiring follow up.

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State Compliance

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

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

This Information From The Records Of: Palmer Lake	Prepared By: Eric Ehrbar, CDOT
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 91,902.98
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	
3. Other local imposts (from page 2)	\$ 168,504.52	c. Other	
4. Miscellaneous local receipts (from page 2)	\$ 127,801.69	d. Total (a. through c.)	\$ -
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 334,348.39
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 426,251.37
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)	\$ 296,306.21	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 129,945.16	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 426,251.37	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 426,251.37

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

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

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ -	\$ 426,251.37	\$ 426,251.37	\$ -	\$ 0.00

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
COLORADO
YEAR ENDING (mm/yy):
12/24

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments	\$ 39,939.10	a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	\$ 46,887.50
1. Sales Taxes	\$ 109,615.99	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	\$ 8,767.88	d. Parking Meter Fees	\$ 53,230.32
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 10,181.56	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 128,565.42	h. Other	\$ 27,683.87
c. Total (a. + b.)	\$ 168,504.52	i. Total (a. through h.)	\$ 127,801.69
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 119,166.23	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ 10,778.93	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal ARPA	
f. Total (a. through e.)	\$ 10,778.93	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 129,945.16	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments:

Misc Local Receipts A.4.h - S.T.E.P and HVE grant programs.