Town of Morrison, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2022

HINKLE & COMPANY PC
Strategic Business Advisors

Town of Morrison, Colorado
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December 31, 2022

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HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

Honorable Mayor and Members of the Board of Trustees
Town of Morrison
Morrison, 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 Morrison, Colorado (the Town), as of and for the year ended December 31, 2022, 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

The Town's 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.

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

Other Information

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

Hinkle & Company, PC

Englewood, Colorado
July 14, 2023

TOWN OF MORRISON

Management's Discussion and Analysis

As Management of the Town of Morrison, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2022.

Financial Highlights

- The Town's assets as of December 31, 2022 exceeded its liabilities and deferred inflows of resources by $21,639,406 (net position).
- The Town's net position is comprised of the following:
  (1) Net investment in capital assets, $12,424,716 includes property and equipment net of accumulated depreciation, and reduced for outstanding debt related to the purchase of the capital assets.
  (2) Restricted net position, $443,587 includes resources constrained by obligations imposed by the State of Colorado (TABOR) laws and regulations, and other restricted revenues for parks and open space.
  (3) Unrestricted net position, $8,771,103 represents amounts available to maintain the Town's continuing obligations to residents, businesses, and creditors.
- The Town's governmental fund, the General Fund, had a fund balance of $5,470,724 at December 31, 2022. This compares to the prior year ending fund balance of $4,793,976, an increase of $676,748 during the year.
- At the end of 2022, the unrestricted fund balance of the General Fund was $5,090,946 or 1.90 times total General Fund expenditures.
- Overall, the Town continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "Financial Analysis" sections of this report.

Overview of the Financial Statements

This Management Discussion and Analysis report introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town includes additional information to supplement the basic financial statements. These schedules include budgetary comparison information.

Government-wide Financial Statements

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

The first government-wide statement is the *Statement of Net Position*. This statement presents information that includes all the Town's assets and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the Town as a whole is improving or deteriorating. Evaluation of the overall health of the Town would extend to other non-financial factors such as diversification of the taxpayer base or the condition of Town infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Town's net position changed during the most recent fiscal year. All revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities/functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish activities of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are generally intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include general government, planning and zoning, public safety, highways and streets, and culture and recreation. Business-type activities include the water and sewer systems.

The government-wide financial statements are presented on pages 4 & 5 of this report.

Fund Financial Statements

A fund is a group of related accounts used to maintain control over resources segregated for specific activities or objectives. The Town of Morrison, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has two funds that fall into two fund types. The Town's General Fund is a governmental fund, and its Utility Fund is a proprietary fund.

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. The focus of the governmental fund financial statements, however, is very different. They report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 6 through 8 of this report.

The *proprietary fund* is reported in the fund financial statements and generally reports water and sewer services for which the Town charges customers a fee. The Town's proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements.

The basic enterprise fund financial statements are presented on pages 9 through 11 of this report.

Notes to the Basic Financial Statements
The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 12 of this report.

Required Supplementary Information
In addition to the basic financial statements including the accompanying notes, this report also presents certain required supplementary information concerning the Town's budget. The budget and actual comparison schedule is included as "required supplementary information" for the General Fund. This schedule demonstrates compliance with the Town's adopted and final revised budget. The budget comparison schedule is presented on page 22.

Supplementary Information
The Utility Fund budgetary comparison schedule is presented on page 24.

Government-wide Financial Analysis

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to evaluate the changing financial position of the Town as a whole. The following table provides a summary of the Town's net position over the past two years:

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 5,721,982	$ 5,017,075	$ 3,903,679	$ 3,094,583	$ 9,625,661	$ 8,111,658
Capital assets, net	4,032,347	3,988,657	8,519,614	8,190,484	12,551,961	12,179,141
Total assets	$ 9,754,329	$ 9,005,732	$ 12,423,293	$ 11,285,067	$ 22,177,622	$ 20,290,799
Current liabilities	$ 112,075	$ 134,202	$ 76,988	$ 51,053	$ 189,063	$ 185,255
Noncurrent Liabilities	176,446	44,034	32,840	34,584	209,286	78,618
Total liabilities	$ 288,521	$ 178,236	$ 109,828	$ 85,637	$ 398,349	$ 263,873
Deferred inflows of resources	$ 139,867	$ 88,897	$ -	$ 100,000	$ 139,867	$ 188,897
Net position:						
Net investment in capital assets	$ 3,905,101	$ 3,988,657	$ 8,519,614	$ 8,190,484	$ 12,424,715	$ 12,179,141
Restricted	368,587	323,922	75,000	91,500	443,587	415,422
Unrestricted	5,052,253	4,426,020	3,718,851	2,817,446	8,771,104	7,243,466
Total net position	$ 9,325,941	$ 8,738,599	$ 12,313,465	$ 11,099,430	$ 21,639,406	$ 19,838,029

The Town continues to maintain a high "current ratio." The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The Town's ratios are strong. The Town reported positive balances in net position for both governmental and business-type activities. During 2022, net position increased $587,342 for governmental activities and increased $1,214,035 for business-type activities. The Town's overall net position increased from 2021 by $1,801,377.

Note that approximately 41.9% of the governmental activities' net position is "tied up" in capital assets. The Town uses these capital assets to provide services to its residents and businesses. In the business-type activities, the Town has approximately 69.2% of its net position invested in capital assets. Capital assets in the business-type activities enable the provision of utility services that generate revenues for this fund. Approximately 57.4% of the Town's total net position was invested in capital assets at December 31, 2022.

The following table provides a summary of the Town's changes in net position:

Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues:						
Charges for services	$ 987,827	$ 783,425	$ 1,414,023	$ 785,363	$ 2,401,850	$ 1,568,788
Operating grants & contributions	107,858	155,628	162,125	162,268	269,983	317,896
Capital grants & contributions	-	-	422,000	1,680,000	422,000	1,680,000
General revenues:						
Property taxes	90,783	91,949	-	-	90,783	91,949
Sales & use taxes	1,792,301	1,673,702	489,254	406,303	2,281,555	2,080,005
Other taxes	46,153	69,352	-	-	46,153	69,352
Investment income	100,220	1,252	2,080	832	102,300	2,084
Gain (loss) on sale of capital assets	16,184	-	-	-	16,184	-
Other general revenues	26,040	18,755	-	-	26,040	18,755
Total revenues	$ 3,167,366	$ 2,794,063	$ 2,489,482	$ 3,034,766	$ 5,656,848	$ 5,828,829
Program expenses:						
General government	$ 532,352	$ 541,199	$ -	$ -	$ 532,352	$ 541,199
Community development	153,079	124,056	-	-	153,079	124,056
Public safety	1,183,643	1,136,656	-	-	1,183,643	1,136,656
Public works	357,403	340,936	-	-	357,403	340,936
Culture and recreation	353,547	303,260	-	-	353,547	303,260
Water and sewer utility	-	-	1,275,447	1,199,526	1,275,447	1,199,526
Total expenses	$ 2,580,024	$ 2,446,107	$ 1,275,447	$ 1,199,526	$ 3,855,471	$ 3,645,633
Increase/(decrease)in net position	$ 587,342	$ 347,956	$ 1,214,035	$ 1,835,240	$ 1,801,377	$ 2,183,196
Net Position, Beginning	8,738,599	8,390,643	11,099,430	9,264,190	19,838,029	17,654,833
Net Position, Ending	$ 9,325,941	$ 8,738,599	$12,313,465	$11,099,430	$21,639,406	$19,838,029

Governmental Activities

The Town relies substantially on sales and use taxes to support governmental operations and capital assets. Taxes provided 60.9% of the Town's total governmental revenues in 2022. Revenues from fines and forfeitures and service charges make up the majority of program revenues. The Town also receives grants and miscellaneous fees as revenues. Note that because program revenues do not cover governmental operating expenses, the general economy and vitality of the Town's businesses have a major impact on the Town's revenue streams through the taxes they generate.

Business-type Activities

Business-type activities increased the Town's net position by $1,214,035 during 2022. It is noteworthy that Charges for Services and Operating Grants and Contributions covered business-type operating expenses for the first time in recent years. As in past years, certain sales and/or property taxes have helped to support the Utility Fund, but in 2022 the Business-type Activities had an Operating Gain and was not reliant on the taxes.

Financial Analysis of the Town's Funds

Governmental Fund: *General Fund*
As discussed above, governmental funds are reported in the fund statements with a short-term, inflow/outflow focus on spendable resources. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The Town's governmental fund, the General Fund, is the chief operating fund of the Town. It accounts for all the general services provided by the Town. The General Fund reported an ending fund balance of $5,470,724 at the end of 2022, as compared to $4,793,976 at the end of 2021. Of the 2022 year-end fund balance, $5,090,946 is unrestricted, indicating availability for continuing the Town's service requirements. Legally restricted fund balances are reported for shared Open Space sales taxes received from Jefferson County, shared Colorado Lottery proceeds received from the State, and amounts restricted for emergencies by the Colorado Taxpayers Bill of Rights (TABOR).

General fund revenues increased by approximately 12.4% ($347,119) from the prior year while expenditures increased by approximately 12.7% ($301,997). In both years, revenues exceeded expenditures The combined change in general fund reserves over the two years was an increase of $1,096,374.

Proprietary Fund: *Utility Fund*
The Town's proprietary fund is the Utility Fund that provides water and sewer services. It has separate treatment plants/facilities and customers that are billed monthly for water and sewer services. Overall net position increased by $1,214,035 (10.9%) to $12,313,465 in 2022. This increase was due to charges for services exceeding operating expenses, the sale of utility taps, resource fees, and grants received. The water and sewer enterprise had a net operating gain of $300,701 in 2022 as opposed to a net operating loss of -$251,895 in 2021. Sales and use taxes of $489,254 also contributed to increased net position.

The Town is a party to an Intergovernmental Agreement with Mount Carbon Metropolitan District to provide water and sewer services to Red Rocks Ranch. The Town continued development of certain water treatment plant and wastewater treatment plant improvements during 2022. Revenues from Mount Carbon Metropolitan District will offset the majority of the costs of the improvements.

Capital Assets and Debt Administration

Capital Assets
Capital assets include items such as infrastructure, parks, buildings, vehicles and equipment, and land. Infrastructure includes streets, curb, gutter and sidewalks, traffic signals, storm water structures and trails. The Town uses capital assets to provide services to its residents and businesses; consequently, these assets are not available for future spending. Town Management monitors capital asset acquisition and replacement needs, and includes them its annual budget development.

The following table provides a summary of capital assets at December 31, 2022 and the prior year:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Capital assets not being depreciated						
Land	$ 415,013	$ 415,013	$ 45,535	$ 45,535	$ 460,548	$ 460,548
Water Rights	-	-	85,243	85,243	85,243	85,243
Construction in Progress	45,058	32,274	664,433	88,904	709,491	121,178
Total capital assets not being depreciated	$ 460,071	$ 447,287	$ 795,211	$ 219,682	$ 1,255,282	$ 666,969
Capital assets being depreciated						
Parks	$ 3,491,461	$ 3,491,461	$ -	$ -	$ 3,491,461	$ 3,491,461
Buildings	1,412,693	1,412,693	-	-	1,412,693	1,412,693
Water Treatment Plant	-	-	8,046,903	8,046,903	8,046,903	8,046,903
Sewer Treatment Plant	-	-	5,213,331	5,213,331	5,213,331	5,213,331
Vehicles and Equipment	1,166,382	991,704	471,591	373,255	1,637,973	1,364,959
Infrastructure	1,702,664	1,702,664	-	-	1,702,664	1,702,664
Total capital assets being depreciated	$ 7,773,200	$ 7,598,522	$ 13,731,825	$ 13,633,489	$ 21,505,025	$ 21,232,011
Less Accumulated Depreciation	$ (4,200,924)	$ (4,057,152)	$ (6,007,422)	$ (5,662,687)	$ (10,208,346)	$ (9,719,839)
Net capital assets	$ 4,032,347	$ 3,988,657	$ 8,519,614	$ 8,190,484	$ 12,551,961	$ 12,179,141

Additional information on the Town's Capital Assets can be found in Note 3 to the Financial Statements.

Long-term Debt

During 2022, the Town entered into a 3-year lease-purchase agreement for $195,000 to acquire three police vehicles. At December 31, 2022, the Town owed $127,245 on the agreement. Annual payments of principal and interest are $67,755 with an interest rate of 4.3%. The Town also had accrued compensated absences (untaken leave benefits) estimated to total $82,041 at December 31, 2022. Additional information on the Town's Long-term Debt can be found in Note 4 to the Financial Statements.

Economic Factors & Next Year's Budget

The 2023 Budget estimated slightly reduced revenues and 25% increases in expenses for General Fund operations compared to 2022 due to the addition of two positions (Police Officer and Museum Assistant). Sales taxes increased by 6.4% over 2021 as proceeds from residents and businesses on-line purchases continued, and on-site purchases increased. Traffic fines and related revenue decreased 18.2% in 2022. Federal spending, unemployment insurance policies, restrictions on domestic energy production, and considerable expansion of the monetary supply is causing significant inflation throughout all sectors of the economy. The full economic impact these state- and federal-imposed policies and restrictions on the Town's 2023 and future budgets has yet to be determined.

Requests for Information

This financial report was designed to provide the Town of Morrison's residents, taxpayers, customers, potential investors, and creditors with a general overview of the Town's finances, to comply with finance-related laws and regulations, and to demonstrate the Town's accountability for the funds it receives and assets it maintains. If you have questions about this report, or should you desire additional financial information, contact the Town of Morrison at 321 Colorado Highway 8, Morrison, CO 80465-3001 or call the Town Offices at (303) 697-8749.

Basic Financial Statements

Town of Morrison, Colorado
Statement of Net Position
December 31, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	$ 5,227,168	$ 2,883,996	$ 8,111,164
Accounts Receivable	397,042	1,005,141	1,402,183
Property Taxes Receivable	86,581	-	86,581
Inventory	-	10,320	10,320
Prepaid Expenses	11,191	4,222	15,413
Capital Assets, Not Being Depreciated	460,071	795,211	1,255,282
Capital Assets, Net of Accumulated Depreciation	3,572,276	7,724,403	11,296,679
Total Assets	9,754,329	12,423,293	22,177,622
Liabilities			
Current Liabilities			
Accounts Payable	81,507	76,713	158,220
Accrued Interest	684	-	684
Deposits on Developments	29,884	275	30,159
Total Current Liabilities	112,075	76,988	189,063
Non-Current Liabilities			
Due Within One Year	67,203	3,284	70,487
Due In More Than One Year	109,243	29,556	138,799
Total Non-Current Liabilities	176,446	32,840	209,286
Total Liabilities	288,521	109,828	398,349
Deferred Inflows of Resources			
Property Taxes	86,581	-	86,581
Other Deferred Revenue	53,286	-	53,286
Total Deferred Inflows of Resources	139,867	-	139,867
Net Position			
Net Investment in Capital Assets	3,905,102	8,519,614	12,424,716
Restricted for:			
Emergencies	100,500	75,000	175,500
Parks and Open Space	268,087	-	268,087
Unrestricted	5,052,252	3,718,851	8,771,103
Total Net Position	$ 9,325,941	$ 12,313,465	$ 21,639,406

Town of Morrison, Colorado
Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues			Net (Expense) Revenue and Change in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	$ 532,352	$ 9,020	$ -	$ -	$ (523,332)	$ -	$ (523,332)
Community Development	153,079	83,334	-	-	(69,745)	-	(69,745)
Public Safety	1,183,643	661,635	5,460	-	(516,548)	-	(516,548)
Public Works	357,403	-	18,029	-	(339,374)	-	(339,374)
Culture and Recreation	353,547	233,838	84,369	-	(35,340)	-	(35,340)
Total Governmental Activities	2,580,024	987,827	107,858	-	(1,484,339)	-	(1,484,339)
Business-Type Activities							
Water and Sewer	1,275,447	1,414,023	162,125	422,000	-	722,701	722,701
Total Business-Type Activities	1,275,447	1,414,023	162,125	422,000	-	722,701	722,701
Total Primary Government	$ 3,855,471	$ 2,401,850	$ 269,983	$ 422,000	(1,484,339)	722,701	(761,638)
	General Revenues						
	Property Taxes				84,953	-	84,953
	Specific Ownership Taxes				5,830	-	5,830
	Sales and Use Taxes				1,792,301	489,254	2,281,555
	Franchise Taxes				46,153	-	46,153
	Intergovernmental Revenues Not Restricted to Specific Programs				22,716	-	22,716
	Investment Income				100,220	2,080	102,300
	Miscellaneous Income				3,324	-	3,324
	Gain on disposal of assets				16,184	-	16,184
	Total General Revenues				2,071,681	491,334	2,563,015
	Change in Net Position				587,342	1,214,035	1,801,377
	Net Position, *Beginning of year*				8,738,599	11,099,430	19,838,029
	Net Position, *End of year*				$ 9,325,941	$ 12,313,465	$ 21,639,406

Town of Morrison, Colorado
Balance Sheet
Governmental Funds
For the Year Ended December 31, 2022

		General
Assets		
Cash and Investments	$	5,227,168
Accounts Receivable - Customers		77,984
Sales & Use Tax Receivable		319,058
Property Taxes Receivable		86,581
Prepaid Expenses		11,191
Total Assets	$	5,721,982
Liabilities		
Accounts Payable	$	81,507
Deposits Payable		29,884
Total Liabilities		111,391
Deferred Inflows of Resources		
Property Taxes		86,581
Other Deferred Revenue		53,286
Total Deferred Inflows of Resources		139,867
Fund Balance		
Nonspendable		11,191
Restricted for:		
Emergencies		100,500
Parks and Open Space		268,087
Unrestricted, Unassigned		5,090,946
Total Fund Balance		5,470,724
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$	5,721,982

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

Total Fund Balance of Governmental Funds		5,470,724
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.		
Capital Assets		4,032,347
The long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds:		
Financing Leases		(127,245)
Accrued Interest		(684)
Compensated Absences		(49,201)
Total Net Position of Governmental Activities	$	9,325,941

See Notes to the Financial Statements.

Town of Morrison, Colorado

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

		General
Revenues		
Taxes	$	1,929,237
Licenses and Permits		34,211
Charges for Services		707,770
Fines and Forfeitures		245,846
Intergovernmental		67,915
Other Sources		62,659
Investment Income		100,220
Miscellaneous		3,324
Total Revenues		3,151,182
Expenditures		
Current		
General Government		498,455
Community Development		153,079
Public Safety		1,145,367
Public Works		309,891
Culture and Recreation		273,105
Capital Outlay		238,382
Debt Service		
Principal		67,755
Interest		400
Total Expenditures		2,686,434
Excess (deficiency) of Revenues over Expenditures		464,748
Other Financing Sources and (Uses) including transfers		
Proceeds from issuance of long-term financing leases		195,000
Sales of Assets		17,000
Net Change in Fund Balance		676,748
Fund Balance, *Beginning of year*		4,793,976
Fund Balance, *End of year*	$	5,470,724

See Notes to the Financial Statements.

Town of Morrison, Colorado
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2022

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

Net Change in Fund Balance of Governmental Funds	$	676,748
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.		
Capital Outlay		238,382
Loss on Disposal of Assets		(816)
Depreciation Expense		(193,876)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in Accrued Interest		(684)
Change in Accrued Compensated Absences		(5,167)
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.		
Long-term financing leases issued		(195,000)
Principal payments on financing leases		67,755
Change in Net Position of Governmental Activities	$	587,342

See Notes to the Financial Statements.

Town of Morrison, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2022

	Utility
Assets	
Current Assets	
Cash and Investments	$ 2,883,996
Accounts Receivable	929,533
Sales Tax Receivable	75,608
Inventory	10,320
Prepaid Expenses	4,222
Total Current Assets	3,903,679
Non-Current Assets	
Capital Assets, *Not being depreciated*	795,211
Capital Assets, *Net of accumulated depreciation*	7,724,403
Total Noncurrent Assets	8,519,614
Total Assets	$ 12,423,293
Liabilities	
Current Liabilities	
Accounts Payable	$ 76,713
Deposits on Developments	275
Compensated Absences, *Current Portion*	3,284
Total Current Liabilities	80,272
Non-Current Liabilities	
Compensated Absences	29,556
Total Liabilities	109,828
Net Position	
Investment in Capital Assets	8,519,614
Restricted for:	
Emergencies	75,000
Unrestricted	3,718,851
Total Net Position	$ 12,313,465

See Notes to the Financial Statements.

Town of Morrison, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Utility
Operating Revenues	
Charges for Services	$ 1,414,023
Mount Carbon Metropolitan District Subsidy	162,125
Total Operating Revenues	1,576,148
Operating Expenses	
Operations and Maintenance	930,711
Depreciation	344,736
Total Operating Expenses	1,275,447
Net Operating Gain	300,701
Nonoperating Revenues (Expenses)	
Sales Taxes	489,254
Investment Income	2,080
Total Nonoperating Revenues (Expenses)	491,334
Net Income Before Capital Contributions	792,035
Capital Contributions	
Tap and Resource Fees	422,000
	422,000
Change in Net Position	1,214,035
Net Position, *Beginning of year*	11,099,430
Net Position, *End of year*	$ 12,313,465

Town of Morrison, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

		Utility
Cash Flows From Operating Activities		
Cash Received from Customers	$	710,283
Cash Received from Grants and Contributions		62,125
Cash Paid to Employees		(365,618)
Cash Paid to Suppliers		(514,789)
Net Cash Used in Operating Activities		(107,999)
Cash Flows From Investing Activities		
Interest Received		2,080
Cash Flows From Capital and Related Financing Activities		
Acquisition of Capital Assets		(673,866)
Capital Contributions		422,000
Net Cash Provided by Capital and Related Financing Activities		(251,866)
Cash Flows From Noncapital Financing Activities		
Sales Taxes Received		480,049
Other General		
Net Cash Provided by Noncapital Financing Activities		480,049
Net Change in Cash and Cash Equivalents		122,264
Cash and Cash Equivalents, *Beginning of year*		2,761,732
Cash and Cash Equivalents, *End of year*	$	2,883,996
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities		
Net Operating Gain	$	300,701
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities		
Depreciation		344,736
Changes in Assets and Liabilities Related to Operations		
Accounts Receivable		(703,540)
Inventory		26,949
Prepaid Expenses		(1,036)
Accounts Payable		26,135
Accrued Salaries and Benefits		-
Unearned fund		(100,000)
Deposits		(200)
Compensated Absences Payable		(1,744)
Net Cash Used in Operating Activities	$	(107,999)

See Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

The Town of Morrison (the Town) was organized in 1906. In September 2000, citizens voted to become a home rule municipality, as authorized by State statutes. The Town is governed by a Mayor and six-member Board of Trustees.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements *(Continued)*

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Additionally, the Town reports the following major proprietary fund:

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

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.

Water Treatment Plant and Systems	10 - 40 years
Sewer Treatment Plant and Systems	40 years
Infrastructure	10 - 50 years
Parks	50 years
Vehicles and Equipment	5 - 20 years

Note 1: Summary of Significant Accounting Policies (Continued)

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

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.

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.

As of December 31, 2022, the Town reported the following restrictions in the Statement of Net Position: 1) $268,087 restricted for parks and open space and $100,500 restricted for emergencies (see Note 7) reported under governmental activities; and 2) $75,000 restricted for operations and maintenance in emergency situations is reported under business-type activities. Restricted net position is a result of externally imposed restrictions.

Property Taxes

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

Subsequent Events

The Town has evaluated subsequent events through (July 14, 2023), the date the financial statements were available to be issued.

Note 2: Cash and Investments

At December 31, 2022, cash consisted of the following:

Petty Cash	$ 200
Cash Deposits	1,516,089
Investments	6,594,875
Total	$ 8,111,164

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 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, 2022, the Town had bank deposits of $1,275,763 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 Towns may invest in a single issuer of investment securities, except for corporate securities.

Note 2: Cash and Investments (Continued)

Investments *(Continued)*

Local Government Investment Pool - At December 31, 2022, the Town had $6,594,875 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust).

ColoTrust - ColoTrust 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.

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, 2022, is summarized below:

Governmental Activities	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
Capital Assets, *Not Being Depreciated*				
Land	$ 415,013	$ -	$ -	$ 415,013
Construction in Progress	32,274	16,284	(3,500)	45,058
Total Capital Assets, Not *Being Depreciated*	447,287	16,284	(3,500)	460,071
Capital Assets, *Being Depreciated*				
Infrastructure	1,702,664	-	-	1,702,664
Parks	3,491,461	-	-	3,491,461
Buildings	1,412,693	-	-	1,412,693
Vehicles and Equipment	991,704	225,598	(50,920)	1,166,382
Total Capital Assets, *Being Depreciated*	7,598,522	225,598	(50,920)	7,773,200

(Continued)

Note 3: Capital Assets (Continued)

Governmental Activities (Continued)	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
Capital Assets, *Being Depreciated (Continued)*				
Less Accumulated Depreciation				
Infrastructure	(1,265,207)	(47,373)	-	(1,312,580)
Parks	(1,144,666)	(72,341)	-	(1,217,007)
Buildings	(747,038)	(33,226)	-	(780,264)
Vehicles and Equipment	(900,241)	(40,936)	50,104	(891,073)
Total Accumulated Depreciation	(4,057,152)	(193,876)	50,104	(4,200,924)
Total Capital Assets, Being Depreciated	3,541,370	31,722	(816)	3,572,276
Governmental Activities Capital Assets, Net	$ 3,988,657	$ 48,006	$ (4,316)	$ 4,032,347

Business-Type Activities	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
Capital Assets, *Not Being Depreciated*				
Land	$ 45,535	$ -	$ -	$ 45,535
Water Rights	85,243	-	-	85,243
Construction in Progress	88,904	575,529	-	664,433
Total Capital Assets, *Not Being Depreciated*	219,682	575,529	-	795,211
Capital Assets, *Being Depreciated*				
Water Treatment Plant and System	8,046,903	-	-	8,046,903
Sewer Treatment Plant and System	5,213,331	-	-	5,213,331
Vehicles and Equipment	373,255	98,336	-	471,591
Total Capital Assets, *Being Depreciated*	13,633,489	98,336	-	13,731,825
Less Accumulated Depreciation				
Water Treatment Plant and System	(4,070,422)	(204,125)	-	(4,274,547)
Sewer Treatment Plant and System	(1,289,982)	(133,545)	-	(1,423,527)
Vehicles and Equipment	(302,283)	(7,065)	-	(309,348)
Total Accumulated Depreciation	(5,662,687)	(344,735)	-	(6,007,422)
Total Capital Assets, *Being Depreciated, net*	7,970,802	(246,399)	-	7,724,403
Business-Type Activities Capital Assets, *net*	$ 8,190,484	$ 329,130	$ -	$ 8,519,614

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

General Government	$ 28,730
Public Safety	37,192
Public Works	47,512
Culture and Recreation	80,442
Total	$ 193,876

Note 4: Long-Term Debt

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2022:

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022	Due Within One Year
Governmental Activities					
2022 Financing leases	-	195,000	67,755	127,245	62,283
Compensated Absences	44,034	40,371	35,204	49,201	4,920
Total	$ 44,034	$ 235,371	$ 102,959	$ 176,446	$ 67,203

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

During the year ended December 31, 2022, the Town entered into a 3-Year lease-purchase for the acquisition of 3 police vehicles with a total cost of $195,000. Annual payments of principal and interest are $67,755 with an interest rate of 4.3%. The lease transfers ownership of the underlying asset to the lessee by the end of the contract and does not contain any termination options. As of December 31, 2022, leased assets were $195,000 and accumulated amortization was $6,500.

Following is a summary of future minimum lease payments as of year ended December 31, 2022:

	Total
2023	$ 67,755
2024	67,755
Total Minimum Lease Payments	135,510
Less: Interest Portion	(8,265)
Present Value of Future Minimum Lease Payments	$ 127,245

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2022:

	Balance 12/31/2021	Additions	Deletions	Balance 12/31/2022	Due Within One Year
Business-Type Activities					
Compensated Absences	$ 34,584	$ 26,691	$ 28,435	$ 32,840	$ 3,284

Note 5: Retirement Commitments

Employees' Pension Plan

The Town contributes to a multiple-employer defined contribution retirement plan on behalf of its employees. All regular full-time employees are eligible to participate in the plan. The plan provisions and contribution requirements are established and may be amended by the Board of Trustees. The Town is required to contribute 3% of each participating employee's compensation, and each participating employee must contribute a matching amount. Employees may make additional voluntary contributions not to exceed 10% of their compensation. Employees fully vest in the Town's contributions at a rate of 33.3% for each full year of participation. During the year ended December 31, 2022, the Town contributed $35,062 to the plan, equal to the required contributions. The Plan is administered by the Colorado Retirement Association.

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 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 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.

The Town has established emergency reserves, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2022, the Town reported emergency reserves of $100,500 as restricted fund balance in the General Fund and $75,000 as restricted net assets in the Utility Fund.

Mount Carbon Metropolitan District

Pursuant to the 2008 intergovernmental agreement between the Town and the Mount Carbon Metropolitan District (the District), the District agreed to design and construct, with Town oversight and review, a wastewater treatment facility to replace the Town's existing facility. The District financed construction of the facility and the Town agreed to waive future system development fees for the District's sewer tap purchases as more fully set forth in the agreement. In addition, the District agreed to subsidize the operation of the wastewater treatment facility until 500 sewer taps have been purchased.

During the year ended December 31, 2022, the Town received $162,125 under this agreement, which is reported as operating revenue in the Utility Fund. As of December 31, 2022, 222 taps have been purchased.

Required Supplementary Information

Town of Morrison, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Taxes				
Sales	$ 1,200,000	$ 1,200,000	$ 1,729,993	$ 529,993
Use	45,000	45,000	62,308	17,308
Property	88,611	88,611	84,953	(3,658)
Specific Ownership	-	-	5,830	5,830
Franchise	35,000	35,000	46,153	11,153
Licenses and Permits	18,600	18,600	34,211	15,611
Charges for Services	388,660	388,660	707,770	319,110
Fines and Forfeitures	341,000	341,000	245,846	(95,154)
Intergovernmental	39,500	39,500	67,915	28,415
Other Sources	170,893	170,893	62,659	(108,234)
Investment Income	2,500	2,500	100,220	97,720
Miscellaneous	-	-	3,324	3,324
Total Revenues	2,329,764	2,329,764	3,151,182	821,418
Expenditures				
Current				
General Government	607,911	607,911	498,455	109,456
Community Development	73,858	73,858	153,079	(79,221)
Public Safety	1,149,003	1,149,003	1,145,367	3,636
Public Works	353,300	353,300	309,891	43,409
Culture & Recreation	240,400	240,400	273,105	(32,705)
Capital Outlay	226,500	356,500	238,382	118,118
Debt Service				
Principal	-	-	67,755	(67,755)
Interest	-	-	400	(400)
Total Expenditures	2,650,972	2,780,972	2,686,434	94,538
Excess (deficiency) of Revenues over Expenditures	(321,208)	(451,208)	464,748	915,956
Other Financing Sources and (Uses) including transfers				
Proceeds from issuance of long-term financing leases	-	-	195,000	195,000
Sales of Assets	-	-	17,000	17,000
Net Change in Fund Balance	(321,208)	(451,208)	676,748	1,127,956
Fund Balance, *Beginning of year*	4,125,918	4,125,918	4,793,976	668,058
Fund Balance, *End of year*	$ 3,804,710	$ 3,674,710	$ 5,470,724	$ 1,796,014

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 Morrison, Colorado
Budgetary Comparison Schedule
Utility Fund
For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Water Charges	$ 270,000	$ 270,000	$ 378,616	$ 108,616
Sewer Charges	205,000	205,000	366,948	161,948
Other Charges for Services	5,000	5,000	668,459	663,459
Mount Carbon Metropolitan District Subsidy	137,000	137,000	162,125	25,125
Sales Taxes	300,000	300,000	489,254	189,254
Investment Income	1,000	1,000	2,080	1,080
Tap Fees	18,400	18,400	422,000	403,600
Total Revenues	936,400	936,400	2,489,482	1,553,082
Expenditures				
Operations and Maintenance	924,900	924,900	930,711	(5,811)
Capital Outlay	118,000	745,000	673,865	71,135
Total Expenditures	1,042,900	1,669,900	1,604,576	65,324
Change in Net Position, *Budgetary Basis*	(106,500)	(733,500)	884,906	1,618,406
Reconciliation to GAAP Basis				
Capital Outlay - Capitalized			673,865	
Depreciation			(344,736)	
Change in Net Position, *GAAP Basis*			$ 1,214,035	

State Compliance

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

Financial Planning 02/01
Form # 350-050-36

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Morrison
	YEAR ENDING : December 31, 2022

This Information From The Records Of (example - City of _ or County of _)	Prepared By:	Lorraine Trotter, Professional Mgmt Solutions
Town of Morrison, Colorado	Phone:	303-910-9197

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	836,972
3. Other local imposts (from page 2)	33,685
4. Miscellaneous local receipts (from page 2)	251,807
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	1,122,464
B. Private Contributions	
C. Receipts from State government (from page 2)	11,797
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	1,134,261

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	10,576
2. Maintenance:	105,549
3. Road and street services:	
a. Traffic control operations	6,728
b. Snow and ice removal	11,728
c. Other	0
d. Total (a. through c.)	18,456
4. General administration & miscellaneous	29,599
5. Highway law enforcement and safety	970,082
6. Total (1 through 5)	1,134,261
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	1,134,261

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
0	1,134,261	1,134,261		(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 31, 2022

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalities	135,759
1. Sales Taxes	0	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	108,682
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	33,685	g. Other Mis County Road & Bridge Tax	7,366
6. Total (1. through 5.)	33,685	h. Other General Sales Taxes	
c. Total (a. + b.)	33,685	i. Total (a. through h.)	251,807
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	10,663	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	1,134	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	1,134	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	11,797	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		10,576	10,576
(5). Total Construction (1) + (2) + (3) + (4)	0	10,576	10,576
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	10,576	10,576
			(Carry forward to page 1)

Notes and Comments: