

TOWN OF STRATTON, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2022

TOWN OF STRATTON, COLORADO

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Council
Town of Stratton, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Stratton, Colorado, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Town of Stratton, Colorado basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stratton, Colorado, as of December 31, 2022, and the respective changes in financial position and, where applicable, cashflows 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. 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 of Stratton, Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Stratton, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 generally accepted auditing standards, 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 of Stratton, Colorado'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 of Stratton, Colorado'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, pension schedules and the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Stratton, Colorado's basic financial statements. The combining and individual fund financial statements, budget schedules and local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budget schedules and the local highway finance report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



HANCOCK FROESE & COMPANY LLC

September 22, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF STRATTON, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of The Town of Stratton's (the "Town") financial performance provides an overview of the Town's financial activities for the fiscal years ended December 31, 2022 and 2021. Readers are encouraged to consider the information presented here in conjunction with the financial statement information.

FINANCIAL HIGHLIGHTS

1. Assets of the Town exceed its liabilities by \$5,791,918 of which \$3,903,737 is from the Town's Business-type Activities. Unrestricted net position totaled \$1,787,014 and may be used to meet the Town's on-going obligations.
2. Net investment in capital assets is the largest portion of the Town's net position. \$2,676,216 is in the Town's Business-type Activities and \$1,190,364 is in the Town's Governmental Activities.
3. Restricted net assets include \$15,100 required by TABOR, the emergency contingency required by Article X, Section 20 of the Colorado Constitution, \$63,624 for parks and recreation using conservation trust funding and \$59,600 for debt services on the loans in the Water Proprietary Fund and Sanitation Proprietary Fund.
4. The Town's debt is for improvements to the water and sewer infrastructure projects as well as for the purchase of a used back-hoe loader for a total of \$1,102,514.
5. The Town's Governmental Funds reported a combined ending fund balance of \$698,329 including the General Fund with \$604,707, the Conservation Trust Fund with \$63,624 and the Lodgers Tax Fund with \$29,998.
6. The Governmental Funds reported total unassigned fund balance of \$589,607. The unassigned fund balance is all made up of from the General Fund.
7. The Town's Proprietary Funds reported combined Total Net Position of \$3,903,737 of which \$1,167,921 is unrestricted, \$2,676,216 is net investment in capital assets and \$59,600 is restricted for debt services.
8. The Town's Proprietary Funds reported \$1,378,928 in cash.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – management discussion and analysis (this section), the basic financial statements, required supplementary information and a section that presents budget statements, combining and individual fund financial statements and the local highway finance report (other supplementary information). This discussion and analysis serves as an introduction to Stratton's basic financial statements. The Town's basic financial statements consist of three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains required and other additional information in addition to the basic financial statements.

Government-wide Financial Statements

The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to private-sector business. They consist of two statements:

1. The **Statement of Net Position** presents information on all of the Town's assets and liabilities, with the difference between the two reported as **net position**. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.
2. The **Statement of Activities** presents information reporting how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statements for some items that will result in cash flows in future fiscal periods. Earned but unused vacation leave and accrued interest expense are examples of these types of items.

Both Government-wide Financial Statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include General Governmental, Public Works, Public Safety (as applicable), Economic Development, Health and Welfare, and Culture and Recreation. The business-type activities of the Town include Water, Sanitation and Community Building Funds.

Fund Financial Statements

A Fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. All Town funds can be divided into two categories:

- Governmental funds
- Proprietary funds

Governmental funds: Governmental funds account for essentially the same functions reported as governmental activities in the Town-wide financial statements. Unlike the Town-wide financial statements, however, governmental fund financial statements focus on how money flows into and out of those funds and the balances at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information provides a detailed short-term view of the Town's general government operations and may be useful in evaluating the Town's near-term financing requirements.

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

The Town maintains two individual governmental funds. Information is presented separately in the governmental fund Balance sheet and the Statement of Revenue, Expenditures, and Changes in Fund Balance for each fund. Data from other governmental funds are combined into a single aggregated presentation.

Proprietary funds: The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions as business-type activities in the Town-wide financial statements. The Town uses Enterprise Funds to account for the Water, Sanitation and Community Building activities.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the Town-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town. The Town adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for all major funds to demonstrate compliance with the budget requirement. The Town also provides pension schedules that relate to the Statewide Defined Benefit Plan.

Other Information

The Individual and Combining Financial Statements are presented immediately following the required supplementary information.

Financial Analysis of the Town as a Whole

Net Position

Net position may serve as useful indicator of a government's financial position. In the case of the Town of Stratton, assets exceeded liabilities by \$5,791,918 at the close of the most recent fiscal year.

The largest portion of the Town's net position 67% reflects the investment in capital assets (e.g. land, buildings, machinery and equipment) less any accumulated depreciation and related debt to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens: consequently, these assets are not available for future spending. Restricted net position is designed to reflect the net position that is subject to restrictions beyond the Town's control; restricted net position is 2% of total net position.

Unrestricted net position may be used to meet the government's ongoing obligations to the citizens and creditors; unrestricted net position makes up the remaining 31% of total net position. The Town is able to report positive balances in all three categories of net position for the government as a whole, as well as for its separate business-type activities.

The following table reflects the condensed Statement of Net Position.

Town of Stratton Combined Net Position as of December 31, 2022 and 2021

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2022	2021	2022	2021	2022	2021
Assets						
Current Assets	\$ 819,624	\$ 768,731	\$ 1,469,421	\$ 1,202,289	\$ 2,289,045	\$ 1,971,020
Capital Assets	<u>1,233,586</u>	<u>1,254,029</u>	<u>3,735,508</u>	<u>3,735,075</u>	<u>4,969,094</u>	<u>4,989,104</u>
Total Assets	<u>2,053,210</u>	<u>2,022,760</u>	<u>5,204,929</u>	<u>4,937,364</u>	<u>7,258,139</u>	<u>6,960,124</u>
Deferred Outflows of Resources						
Deferred Pension Expense	-	-	-	-	-	-
Liabilities						
Current Liabilities	29,807	88,641	241,900	130,455	271,707	219,096
Non-Current Liabilities	<u>43,222</u>	<u>51,618</u>	<u>1,059,292</u>	<u>1,129,895</u>	<u>1,102,514</u>	<u>1,181,513</u>
Total Liabilities	<u>73,029</u>	<u>140,259</u>	<u>1,301,192</u>	<u>1,260,350</u>	<u>1,374,221</u>	<u>1,400,609</u>
Deferred Inflows of Resources						
Deferred Rev.—Property Taxes	92,000	94,000	-	-	92,000	94,000
Deferred Pension Expense	-	-	-	-	-	-
Total Deferred Inflows	<u>92,000</u>	<u>94,000</u>	<u>-</u>	<u>-</u>	<u>92,000</u>	<u>94,000</u>
Net Position						
Net Investment in						
Capital Assets	1,190,364	1,202,411	2,676,216	2,605,180	3,866,580	3,807,591
Restricted	78,724	66,971	59,600	49,800	138,324	116,771
Unrestricted	<u>619,093</u>	<u>519,119</u>	<u>1,167,921</u>	<u>1,022,034</u>	<u>1,787,014</u>	<u>1,541,153</u>
Total Net Position	<u>\$2,053,210</u>	<u>\$1,788,501</u>	<u>\$ 3,903,737</u>	<u>\$3,677,014</u>	<u>\$ 5,791,918</u>	<u>\$ 5,465,515</u>

Restrictions in the governmental activities include \$15,100 for statutory reserves for emergencies required by TABOR and \$63,624 for restrictions on conservation trust funding and restrictions in the business-type activities include \$59,600 for debt services in the Water Proprietary Fund and Sanitation Proprietary Fund.

Changes in Net Position

The following table reflects a condensed summary of activities and changes in net position.

Town of Stratton Condensed Changes in Net Position

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for Services	\$ 27,661	\$ 28,078	\$ 477,306	\$ 468,445	\$ 504,967	\$ 496,523
Operating Grants and Contributions	89,808	148,769	16,908	1,000	106,716	149,769
Capital Grants and Contributions	-	-	102,576	-	102,576	-
General Revenue:						
Property Taxes	100,039	82,314	-	-	100,039	82,314
Specific Ownership Taxes	6,855	8,902	-	-	6,855	8,902
Sales Taxes	203,545	169,896	-	-	203,545	169,896
Franchise Taxes	44,394	48,788	-	-	44,394	48,788
Other Taxes	15,681	17,590	-	-	15,681	17,590
Miscellaneous	35,264	22,854	-	-	35,264	22,854
Interest	<u>288</u>	<u>-</u>	<u>926</u>	<u>704</u>	<u>1,214</u>	<u>704</u>
Total Revenues	<u>523,535</u>	<u>527,191</u>	<u>597,716</u>	<u>470,149</u>	<u>1,121,251</u>	<u>997,340</u>

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2022	2021	2022	2021	2022	2021
Expenses						
General Government	132,550	150,872	-	-	132,550	150,872
Public Safety	31,660	4,837	-	-	31,660	4,837
Public Works	126,662	133,671	-	-	126,662	133,671
Economic Development	-	5,004	-	-	-	5,004
Health and Welfare	1,998	1,922	-	-	1,998	1,922
Culture and Recreation	130,985	120,301	-	-	130,985	120,301
Sanitation	-	-	123,764	97,644	123,764	97,644
Water	-	-	213,642	199,158	213,642	199,158
Community Building	-	-	33,587	25,694	33,587	25,694
Total Expenses	423,855	416,607	370,993	322,496	794,848	739,103
Revenues Over (Under) Expenditures	99,680	110,584	226,723	147,653	326,403	258,237
Transfer In (Out)	-	-	-	-	-	-
Change in Net Position	99,680	110,584	226,723	147,653	326,403	258,237
Net Position, Beginning	1,788,501	1,677,917	3,677,014	3,529,361	5,465,515	5,207,278
Net Position, Ending	<u>\$ 1,888,181</u>	<u>\$ 1,788,501</u>	<u>\$ 3,903,737</u>	<u>\$ 3,677,014</u>	<u>\$ 5,791,918</u>	<u>\$ 5,465,515</u>

Charges for services for the business-type activities for 2022 and 2021 are as follows:

	2022	2021
Sanitation	\$ 139,115	\$ 138,760
Water	329,344	315,839
Community Building	8,847	13,846
Total Charges for Services	<u>\$ 477,306</u>	<u>\$ 468,445</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The Town of Stratton uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the Town of Stratton's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year. As of the end of the year, the town's governmental funds reported a combined fund balance of \$698,329. Of that fund balance, \$589,607 constitutes unassigned fund balance, which is available for spending at the government's discretion and \$29,998 is assigned for a specific purpose. The remainder of fund balance reflects a state constitution mandated emergency reserve of \$15,100 and a restriction on conservation trust funds of \$63,624.

PROPRIETARY FUNDS

The Town's proprietary funds provide the same type of information found in the government-wide financial statements. All of the Town's proprietary funds are major funds. The funds include Water, Sanitation and Community Building Funds.

The net position balances and the change in net position of the Town's proprietary funds are reflected in the following table.

	Total Net Position		Change in Net Position for Year Ended	
	2022	2021	2022	2021
Sanitation	\$ 825,763	\$ 793,120	\$ 32,643	\$ 41,445
Water	2,704,089	2,587,845	116,244	118,056
Community Building	373,885	296,049	77,836	(11,848)
Total Enterprise Funds	<u>\$ 3,903,737</u>	<u>\$ 3,677,014</u>	<u>\$ 226,723</u>	<u>\$ 147,653</u>

BUDGETARY HIGHLIGHTS

The General Fund's final budget was \$967,555 in Revenues (including transfers in) and \$966,612 in Expenditures (including transfers out). The Actual amounts were \$509,634 in Revenues and \$417,707 in Expenditures.

The Sanitation Proprietary Fund's final budget was \$288,500 in Revenues and \$287,000 in Expenditures. The Actual amounts were \$156,407 in Revenues and \$147,971 in Expenditures.

The Water Proprietary Fund's final budget was \$628,000 in Revenues (includes transfer in) and \$628,000 in Expenditures. The Actual amounts were \$329,886 (includes capital contributions, as applicable) in Revenues and \$260,038 in Expenditures.

The Community Building Proprietary Fund's final budget was \$175,000 in Revenues and \$175,000 in Expenditures. The Actual amounts were \$111,423 in Revenues and \$136,163 in Expenditures.

No funds expenditures exceeded appropriations in 2022.

CAPITAL ASSETS

At the end of 2022, the Town reported \$4,969,094 in capital assets, net of accumulated depreciation, compared to \$4,989,104 in 2021. Capital assets reported includes land, equipment, buildings, water, and sewer lines. See Note-4 for additional information. The change is due to acquisitions and the increase in depreciation expense.

LONG-TERM LIABILITIES

Long Term Liabilities include three loans with Colorado Water Resources and Power Development Authority for upgrades to the water system and sewer system and one capital lease purchase agreement with Caterpillar Financial Services Corporation for the purchase of a used backhoe loader.

ECONOMIC FACTORS AFFECTING FUTURE FINANCIAL CONDITIONS

The Town's elected officials considered many factors when setting the fiscal year 2023 budget, tax rates, and fees that will be charged for business-type activities.

Factors that have a potential to significantly impact the Town's 2023 budget include: 1.) ongoing rising cost of health insurance, 2.) fluctuation in fuel and energy costs, 3.) increase in Colorado's minimum wage and pay increases for employees, and 4.) the decision on whether or not to raise rates in proprietary funds.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. Questions about this report and requests for additional information can be obtained by contacting the Town Clerk at 918 Colorado Avenue, Stratton, Colorado, 80836.

BASIC FINANCIAL STATEMENTS

TOWN OF STRATTON, COLORADO

STATEMENT OF NET POSITION

DECEMBER 31, 2022

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 525,738	\$ 1,378,928	\$ 1,904,666
Receivables - net			
Accounts	12,477	47,394	59,871
Taxes	92,000	-	92,000
Notes	981	-	981
Intergovernmental	37,993	-	37,993
Grants	10,006	1,664	11,670
Due from other funds	140,429	41,435	181,864
Capital assets - net of accumulated depreciation	1,233,586	3,735,508	4,969,094
TOTAL ASSETS	\$ 2,053,210	\$ 5,204,929	\$ 7,258,139
LIABILITIES			
Accounts payable	\$ -	\$ 6,821	\$ 6,821
Accrued expenses	14,685	7,552	22,237
Customer deposits	-	2,748	2,748
Due to other funds	15,122	166,742	181,864
Unearned revenue	-	58,037	58,037
Noncurrent liabilities			
Due within one year	8,606	71,356	79,962
Due in more than one year	34,616	987,936	1,022,552
TOTAL LIABILITIES	73,029	1,301,192	1,374,221
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	92,000	-	92,000
TOTAL DEFERRED INFLOWS OF RESOURCES	92,000	-	92,000
NET POSITION			
Net investment in capital assets	1,190,364	2,676,216	3,866,580
Restricted for:			
TABOR	15,100	-	15,100
Parks and recreation	63,624	-	63,624
Operations and maintenance	-	59,600	59,600
Unrestricted	619,093	1,167,921	1,787,014
TOTAL NET POSITION	1,888,181	3,903,737	5,791,918
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 2,053,210	\$ 5,204,929	\$ 7,258,139

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF STRATTON, COLORADO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

FUNCTIONS/PROGRAMS GOVERNMENTAL ACTIVITIES:	PROGRAM REVENUES			NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	OPERATING		CAPITAL		TOTAL
		CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
General government	\$ 132,550	\$ 6,174	\$ 36,725	-	\$ (89,651)	\$ (89,651)
Public safety	31,660	-	-	-	(31,660)	(31,660)
Public works	126,662	-	31,703	-	(94,959)	(94,959)
Economic development	-	-	-	-	-	-
Health and welfare	1,998	-	-	-	(1,998)	(1,998)
Culture and recreation	130,985	21,487	21,380	-	(88,118)	(88,118)
TOTAL GOVERNMENTAL ACTIVITIES	423,855	27,661	89,808	-	(306,386)	(306,386)
BUSINESS-TYPE ACTIVITIES						
Sanitation	123,764	139,115	16,908	-	-	32,259
Water	213,642	329,344	-	-	-	115,702
Community Building	33,587	8,847	-	102,576	-	77,836
TOTAL BUSINESS-TYPE ACTIVITIES	370,993	477,306	16,908	102,576	-	225,797
TOTAL PRIMARY GOVERNMENT	\$ 794,848	\$ 504,967	\$ 106,716	\$ 102,576	(306,386)	225,797
GENERAL REVENUES						
Taxes						
Property taxes					100,039	100,039
Specific ownership taxes					6,855	6,855
Sales taxes					203,545	203,545
Franchise taxes					44,394	44,394
Other					15,681	15,681
Miscellaneous					35,264	35,264
Interest					288	926
TOTAL GENERAL REVENUES					406,066	406,992
CHANGE IN NET POSITION					99,680	226,723
NET POSITION - BEGINNING					1,788,501	3,677,014
NET POSITION - ENDING					\$ 1,888,181	\$ 3,903,737

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF STRATTON, COLORADO

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2022

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents	\$ 440,912	\$ 84,826	\$ 525,738
Receivables			
Accounts	12,058	419	12,477
Taxes	92,000	-	92,000
Notes	981	-	981
Intergovernmental	37,993	-	37,993
Grants	10,006	-	10,006
Due from other funds	132,052	8,377	140,429
	<u>726,002</u>	<u>93,622</u>	<u>819,624</u>
TOTAL ASSETS	\$ 726,002	\$ 93,622	\$ 819,624
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued expenses	14,173	-	14,173
Due to other funds	15,122	-	15,122
Unearned revenue	-	-	-
	<u>29,295</u>	<u>-</u>	<u>29,295</u>
TOTAL LIABILITIES	29,295	-	29,295
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	92,000	-	92,000
	<u>92,000</u>	<u>-</u>	<u>92,000</u>
FUND BALANCE			
Restricted for:			
TABOR	15,100	-	15,100
Parks and recreation	-	63,624	63,624
Assigned for:			
Community and economic development	-	29,998	29,998
Unassigned	589,607	-	589,607
	<u>604,707</u>	<u>93,622</u>	<u>698,329</u>
TOTAL FUND BALANCE	604,707	93,622	698,329
	<u>\$ 726,002</u>	<u>\$ 93,622</u>	<u>\$ 819,624</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 726,002	\$ 93,622	\$ 819,624

TOWN OF STRATTON, COLORADO

RECONCILIATION OF THE GOVERNMENT FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2022

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF
NET POSITION ARE DIFFERENT BECAUSE:

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$	698,329
Capital assets used in governmental activities are not financial resources and therefore are not reported in funds.			
The cost of capital assets is		\$	2,690,400
Accumulated depreciation is			<u>(1,456,814)</u>
			1,233,586
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Long term capital lease			(43,222)
Accrued interest on capital lease			<u>(512)</u>
			<u>(43,734)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$	<u><u>1,888,181</u></u>

TOWN OF STRATTON, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR YEAR ENDED DECEMBER 31, 2022

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes	\$ 359,288	\$ 11,226	\$ 370,514
Licenses and permits	869	-	869
Intergovernmental	31,703	8,377	40,080
Charges for services	27,661	-	27,661
Grants	36,725	-	36,725
Other	53,388	98	53,486
	<u>509,634</u>	<u>19,701</u>	<u>529,335</u>
EXPENDITURES			
General government	132,394	-	132,394
Public safety	29,772	-	29,772
Public works	89,450	-	89,450
Economic development	-	-	-
Health and welfare	1,998	-	1,998
Culture and recreation	85,509	-	85,509
Capital Outlay	68,902	-	68,902
Debt Service	9,682	-	9,682
	<u>417,707</u>	<u>-</u>	<u>417,707</u>
REVENUES OVER (UNDER) EXPENDITURES	91,927	19,701	111,628
FUND BALANCE JANUARY 1	<u>512,780</u>	<u>73,921</u>	<u>586,701</u>
FUND BALANCE DECEMBER 31	<u>\$ 604,707</u>	<u>\$ 93,622</u>	<u>\$ 698,329</u>

TOWN OF STRATTON, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT
OF ACTIVITIES ARE DIFFERENT BECAUSE:

NET CHANGE IN FUND BALANCE		\$ 111,628
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays differ from depreciation in the current period.</p>		
Capital outlay	\$ 59,850	
Depreciation expense and loss on disposition	<u>(80,293)</u>	(20,443)
<p>Capital lease payments are reported as expenditures in the governmental funds but not reported as expenses in the statement of activities</p>		
Lease payments		8,396
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds</p>		
Accrued interest expense on capital lease	\$ 99	
Pension related amounts	<u>-</u>	<u>99</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 99,680</u>

TOWN OF STRATTON, COLORADO

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	SANITATION	WATER	COMMUNITY BUILDING	TOTAL
CURRENT ASSETS				
Cash	\$ 191,764	\$ 1,125,829	\$ 61,335	\$ 1,378,928
Accounts receivable	-	47,394	-	47,394
Grant receivable	1,664	-	-	1,664
Due from other funds	41,435	-	-	41,435
TOTAL CURRENT ASSETS	234,863	1,173,223	61,335	1,469,421
PROPERTY AND EQUIPMENT - NET	750,913	2,607,555	377,040	3,735,508
TOTAL ASSETS	\$ 985,776	\$ 3,780,778	\$ 438,375	\$ 5,204,929
CURRENT LIABILITIES				
Accounts payable	\$ 2,657	\$ 4,164	\$ -	\$ 6,821
Accrued expenses	2,340	5,212	-	7,552
Customer deposits	-	2,693	55	2,748
Due to other funds	40,317	120,027	6,398	166,742
Unearned revenue	-	-	58,037	58,037
Loans payable - current maturities	24,663	46,693	-	71,356
TOTAL CURRENT LIABILITIES	69,977	178,789	64,490	313,256
NONCURRENT LIABILITIES				
Loans payable - net of current maturities	90,036	897,900	-	987,936
TOTAL LIABILITIES	160,013	1,076,689	64,490	1,301,192
NET POSITION				
Net investment in capital assets	636,214	1,662,962	377,040	2,676,216
Restricted for:				
Operations and maintenance	24,600	35,000	-	59,600
Unrestricted	164,949	1,006,127	(3,155)	1,167,921
TOTAL NET POSITION	825,763	2,704,089	373,885	3,903,737
TOTAL LIABILITIES AND NET POSITION	\$ 985,776	\$ 3,780,778	\$ 438,375	\$ 5,204,929

TOWN OF STRATTON, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	SANITATION	WATER	COMMUNITY BUILDING	TOTAL
OPERATING REVENUES				
Charges for services	\$ 139,115	\$ 329,344	\$ 8,847	\$ 477,306
OPERATING EXPENSES				
Salaries	34,250	50,609	-	84,859
Employee benefits	1,499	4,497	-	5,996
Payroll taxes	2,108	3,754	-	5,862
Utilities	16,179	14,009	8,590	38,778
Repairs and maintenance	39,458	55,995	11,058	106,511
Professional services	1,111	640	-	1,751
Supplies	-	1,698	2,286	3,984
Depreciation	23,061	68,396	10,686	102,143
Miscellaneous	3,682	8,509	967	13,158
TOTAL OPERATING EXPENSES	121,348	208,107	33,587	363,042
OPERATING INCOME (LOSS)	17,767	121,237	(24,740)	114,264
NONOPERATING REVENUES (EXPENSE)				
Interest income	384	542	-	926
Grant income	16,908	-	102,576	119,484
Interest expense	(2,416)	(5,535)	-	(7,951)
TOTAL NONOPERATING REVENUES (EXPENSES)	14,876	(4,993)	102,576	112,459
CHANGE IN NET POSITION	32,643	116,244	77,836	226,723
NET POSITION JANUARY 1	793,120	2,587,845	296,049	3,677,014
NET POSITION DECEMBER 31	\$ 825,763	\$ 2,704,089	\$ 373,885	\$ 3,903,737

TOWN OF STRATTON, COLORADO

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	SANITATION	WATER	COMMUNITY BUILDING	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 139,115	\$ 322,733	\$ 8,847	\$ 470,695
Cash payments for supplies, goods, services	(57,773)	(77,359)	(22,901)	(158,033)
Cash payments to employees	(36,929)	(55,822)	-	(92,751)
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	44,413	189,552	(14,054)	219,911
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Grant proceeds	15,244	-	-	15,244
Transfers	11,538	21,637	3,498	36,673
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	26,782	21,637	3,498	51,917
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisitions of capital assets	-	-	(102,576)	(102,576)
Grant proceeds	-	-	160,613	160,613
Principal paid on notes payable	(24,207)	(46,396)	-	(70,603)
Interest paid on debt	(2,492)	(5,584)	-	(8,076)
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(26,699)	(51,980)	58,037	(20,642)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	384	542	-	926
NET CHANGE IN CASH FLOWS FROM INVESTING ACTIVITIES	384	542	-	926
NET CHANGE IN CASH	44,880	159,751	47,481	252,112
CASH BEGINNING OF YEAR	146,884	966,078	13,854	1,126,816
CASH END OF YEAR	\$ 191,764	\$ 1,125,829	\$ 61,335	\$ 1,378,928
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 17,767	\$ 121,237	\$ (24,740)	\$ 114,264
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	23,061	68,396	10,686	102,143
Change in assets and liabilities				
(Increase) decrease in accounts receivable	-	(6,611)	-	(6,611)
Increase (decrease) in accounts payable	2,657	4,164	-	6,821
Increase (decrease) in accrued expenses	928	2,366	-	3,294
NET CHANGE IN CASH FLOWS OPERATING ACTIVITIES	\$ 44,413	\$ 189,552	\$ (14,054)	\$ 219,911

SEE NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Stratton (the "Town") conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

THE FINANCIAL REPORTING ENTITY

The Town of Stratton is a political subdivision of the State of Colorado which is governed by an elected mayor and elected 6-member board of trustees. As required by accounting principles generally accepted in the United States of America, these financial statements present the Town of Stratton (the primary government). Currently no component units have been included in the Town's reporting entity because of a lack of significant operational or financial relationship with the Town.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. 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 a given function or segment is 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.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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 a liability is incurred, regardless of the timing of the 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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments are recorded only when payment is due.

Property taxes, franchise taxes, interest revenues, and charges for services are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Grant and entitlement awards are recorded as revenue when earned. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental fund:

General Fund - is the government's primary operating fund. It accounts for all financial resources of the general government, except those which are required to be accounted for in another fund.

TOWN OF STRATTON, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION
(Continued)

The Town reports the following major proprietary funds:

Water Proprietary Fund - accounts for the activities of water treatment and distribution to the residents and businesses of the Town.

Sanitation Proprietary Fund - accounts for the activities of the wastewater collection and treatment system of the Town.

Community Building Proprietary Fund - accounts for the activities related to the community building.

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 proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for the 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.

Cash and Cash Equivalents - The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments with a maturity of three months or less when purchased.

The Town pools cash from several funds for the purpose of increasing interest income. Interest is allocated to individual funds based on the average cash of the funds.

Accounts Receivable and Allowance for Uncollectible Accounts – Accounts receivable balances are recorded on the statement of net position, net of allowance for uncollectible accounts. At December 31, 2022, the Town reported \$47,394 in the Water Proprietary Fund, \$12,058 in the General Fund and \$419 in the Lodgers Tax Special Revenue Fund for accounts receivable, net of allowance for uncollectible accounts of \$0.

The Town uses a bad debt allowances that are not limited to a specific percent of receivables but are reviewed annually to determine their adequacy. Actual bad debts are low due to continued review.

Interfund Receivables and Payables – During the course of operations, numerous transactions occur between funds for goods provided or services rendered. Outstanding balances between funds are reported as "due to/from other funds" on the balance sheet for governmental funds and on the statement of position for the proprietary funds when they are expected to be liquidated within one year.

Through the budgetary process, the Town budgets transfers between funds. The amounts are for funding purposes per the budget.

Property Taxes Receivable - All trade and property tax receivables are shown net of an allowance for uncollectible if required.

Property taxes are not due and payable until after the assessment year has ended, and are not included in the budgets or statements of revenues, expenditures and fund balance of the assessment year. Property taxes levied are recorded in the governmental funds as taxes receivable and deferred revenues as of December 31, 2022, since the amounts are measurable but not available until 2023. Property tax abatements are recorded as an offset to property tax revenues when they are paid. An allowance for uncollectible property taxes is not provided as the uncollectible amounts were determined to be negligible based on an analysis of historical trends. Property taxes are levied before December 22 each year and attach as an enforceable lien on the property as of January 1 of the following year. Taxes are payable in full on April 30 or in two installments due on February 28 and June 15.

Notes Receivable – Notes receivable are supported by contracts, which outline the repayment of borrowed funds.

Grants Receivable – Grants receivable represent expenditures that have been incurred, with all grant requirements met, but with no reimbursement received from the granting agency for the eligible expenditures as of December 31, 2022.

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets - Capital assets, which include property, plant, equipment, and current infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets have been capitalized on a prospective basis from 2001. The government defines capital assets as assets with an initial individual cost of more than \$2,000 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 estimated fair market value at the date of donation. The Town has not included its infrastructure at this time except for those constructed subsequent to January 1, 2001.

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

Building, improvements, utility systems, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Infrastructure	20-50
Improvements	20-30
Buildings	20-50
Equipment	5-20
Vehicles	7-10
Systems	50

Compensated Absences - It is the government's policy to permit employees to accumulate earned but unused vacation pay benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if expected to be paid from current resources.

Deferred Outflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has no items that qualify for reporting in this category.

Deferred Inflows of Resources - In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one type of item that qualifies for reporting in this category.

The item, property taxes levied for subsequent years, arises only under a modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected.

Long-Term Obligations - In the government-wide financial statements and in the proprietary fund types financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position.

Fund Balances / Net Position - In the government-wide and proprietary financial statements, net position is classified in the following categories:

Net investment in capital assets – This amount consists of capital assets, net of accumulated depreciation, reduced by outstanding debt, if applicable, attributed to the acquisition, construction, or improvement of those assets.

TOWN OF STRATTON, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances / Net Position (Continued)

Restricted net position – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted net position – This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position”

The Town implemented GASB Statement No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*” which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or required to be maintained intact;

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

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

The Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. Assigned fund balance is established through the adoption or amendment of the budget as intended for specific purposes.

When both restricted and unrestricted resources are available in governmental funds, the Town applies expenditures against restricted fund balance first, followed by committed fund balance, assigned fund balance and unassigned fund balance.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgets - The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to October 15, the Town Finance Officer submits to the Town Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain taxpayer comments.

Prior to December 15, the budget is legally enacted through passage of an ordinance.

The budgetary presentation of the proprietary funds varies from GAAP in that expenditures for capital outlay and debt retirement are recognized for budgetary reporting.

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets (Continued) - Revisions that alter the total expenditures of any fund generally must be approved by Town Trustees. Budget amounts in the accompanying financial statements include revisions to the original appropriation ordinance.

Appropriations lapse at year end and any open purchase items must be reappropriated in the following year. Expenditures may not legally exceed appropriations at the fund level.

Excess of Expenditures over Appropriations - For the year ended December 31, 2022, no funds expenditures exceeded appropriations.

NOTE -2 DEPOSITS AND INVESTMENTS

Deposits

The Town's investment policies are approved by the Town Trustees and governed by Colorado statute. The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determined eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2022, \$1,467,092 of the Town's bank balance of \$1,967,092 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

At December 31, 2022, the Town's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 500,000	\$ 500,000
Uninsured, Collateralized under the Public Deposit Protection Act	1,404,547	1,467,092
Cash on Hand	<u>119</u>	<u>-</u>
	<u>\$ 1,904,666</u>	<u>\$ 1,967,092</u>

The carrying amount is reflected in the accompanying financial statements as follows:

Governmental Activities - Cash	\$ 525,738
Business-Type Activities – Cash	<u>1,378,928</u>
	<u>\$ 1,904,666</u>

NOTE -3 PROPERTY TAXES RECEIVABLE AND DEFERRED REVENUES

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, \$92,000 of property taxes was deemed unavailable.

TOWN OF STRATTON, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Transfers Increases</u>	<u>Transfers Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated				
Land	\$ 104,228	\$ -	\$ (5,800)	\$ 98,428
Construction in Process	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>104,228</u>	<u>-</u>	<u>(5,800)</u>	<u>98,428</u>
Capital assets being depreciated				
Infrastructure	810,469	-	-	810,469
Buildings	406,909	-	-	406,909
Improvements	951,293	-	-	951,293
Equipment & Vehicles	<u>393,551</u>	<u>59,850</u>	<u>(30,100)</u>	<u>423,301</u>
	<u>2,562,222</u>	<u>59,850</u>	<u>(30,100)</u>	<u>2,591,972</u>
Less accumulated depreciation for				
Infrastructure	(292,741)	(16,714)	-	(309,455)
Buildings	(150,953)	(8,515)	-	(159,468)
Improvements	(667,204)	(35,348)	-	(702,552)
Equipment & Vehicles	<u>(301,523)</u>	<u>(13,916)</u>	<u>30,100</u>	<u>(285,339)</u>
	<u>(1,412,421)</u>	<u>(74,493)</u>	<u>-</u>	<u>(1,456,814)</u>
Governmental Activities				
Net Capital Assets	<u>\$ 1,254,029</u>	<u>\$ (14,643)</u>	<u>\$ (5,800)</u>	<u>\$ 1,233,586</u>
 <u>Business-Type Activities:</u>				
Capital assets not being depreciated				
Land	\$ 88,377	\$ -	\$ -	\$ 88,377
Construction in Process	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>88,377</u>	<u>-</u>	<u>-</u>	<u>88,377</u>
Capital assets being depreciated				
Site Improvements	28,358	-	-	28,358
Buildings	511,796	102,576	-	614,372
Equipment & Vehicles	146,000	-	-	146,000
System	<u>4,334,763</u>	<u>-</u>	<u>-</u>	<u>4,334,763</u>
	<u>5,020,917</u>	<u>102,576</u>	<u>-</u>	<u>5,123,493</u>
Less accumulated depreciation for				
Site Improvements	(21,217)	(1,418)	-	(22,635)
Buildings	(170,021)	(10,236)	-	(180,257)
Equipment & Vehicles	(95,774)	(6,058)	-	(101,832)
System	<u>(1,087,207)</u>	<u>(84,431)</u>	<u>-</u>	<u>(1,171,638)</u>
	<u>(1,374,219)</u>	<u>(102,143)</u>	<u>-</u>	<u>(1,476,362)</u>
Business-type Activities				
Net Capital Assets	<u>\$ 3,735,075</u>	<u>\$ 433</u>	<u>\$ -</u>	<u>\$ 3,735,508</u>

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -4 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:

General government	\$ 156
Cultural & recreation	45,476
Public safety	1,888
Public works	<u>26,973</u>
Total depreciation expense – governmental activities	<u>\$ 74,493</u>

Business-Type Activities:

Sanitation Proprietary Fund	\$ 23,061
Water Proprietary Fund	68,396
Community Building Proprietary Fund	<u>10,686</u>
Total depreciation expense – business-type activities	<u>\$ 102,143</u>

NOTE -5 LONG-TERM DEBT

The following is a summary of long-term obligation transactions of the Town for the year ended December 31, 2022:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>	<u>CURRENT PORTION</u>
<u>Governmental Activities:</u>					
Capital Lease	<u>\$ 51,618</u>	<u>\$ -</u>	<u>\$ (8,396)</u>	<u>\$ 43,222</u>	<u>\$ 8,606</u>

Annual debt service requirements to maturity are as follow for Governmental Activities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 8,606	\$ 1,076	\$ 9,682
2024	8,820	862	9,682
2025	<u>25,796</u>	<u>1,084</u>	<u>26,880</u>
	<u>\$ 43,222</u>	<u>\$ 3,022</u>	<u>\$ 46,244</u>

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>	<u>CURRENT PORTION</u>
<u>Business-Type Activities:</u>					
Loan Payable 1 - Water	\$ 301,739	\$ -	\$ (15,763)	\$ 285,976	\$ 16,060
Loan Payable 2 - Water	689,250	-	(30,633)	658,617	30,633
Loan Payable 1 - Sanitation	<u>138,906</u>	<u>-</u>	<u>(24,207)</u>	<u>114,699</u>	<u>24,663</u>
Totals	<u>\$1,129,895</u>	<u>\$ -</u>	<u>\$ (70,603)</u>	<u>\$1,059,292</u>	<u>\$ 71,356</u>

Annual debt service requirements to maturity are as follow for Business-Type Activities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 71,356	\$ 7,321	\$ 78,677
2024	72,122	6,555	78,677
2025	72,904	5,773	78,677
2026	73,700	4,977	78,677
2027	61,163	4,166	65,329
2028-2032	244,701	15,198	259,899
2033-2037	253,654	6,245	259,899
2038-2042	163,741	99	163,840
2043-2044	<u>45,951</u>	<u>-</u>	<u>45,951</u>
	<u>\$1,059,292</u>	<u>\$ 50,334</u>	<u>\$1,109,626</u>

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -5 LONG-TERM DEBT (Continued)

All outstanding notes from direct borrowings contain an event of default that changes the timing of repayment of outstanding amounts to become immediately due if the Town is unable to make payment. The Town's outstanding notes from direct borrowings, as applicable, contain a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

Capital Lease: The Town entered into a Governmental Equipment Lease-Purchase Agreement Caterpillar Financial Services Corporation in the amount of \$61,300. The lease proceeds were used to finance the purchase of a 2015 Caterpillar 420FST backhoe loader. The lease carries an interest rate of 2.49% and is payable in annual installments of \$9,682 beginning July 13, 2021, maturing and having a final payment of \$26,880 on July 13, 2025.

Annual requirements of the loan as of December 31, 2022 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 8,606	\$ 1,076	\$ 9,682
2024	8,820	862	9,682
2025	<u>25,796</u>	<u>1,084</u>	<u>26,880</u>
	<u>\$ 43,222</u>	<u>\$ 3,022</u>	<u>\$ 46,244</u>

Loan Payable 1 - Water: The Town entered into a loan agreement with Colorado Water Resources and Power Development Authority on December 20, 2007 in the amount of \$483,000. The loan proceeds were used to finance construction of water system improvements. The loan carries an interest rate of 1.875%. The loan is payable in semi-annual installments of \$10,673 beginning November 1, 2008 and maturing May 1, 2038. The loan is payable from the revenues generated from the system.

Annual requirements of the loan as of December 31, 2022 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 16,060	\$ 5,286	\$ 21,346
2024	16,361	4,985	21,346
2025	16,670	4,676	21,346
2026	16,984	4,362	21,346
2027	17,304	4,042	21,346
2028-2032	91,535	15,197	106,732
2033-2037	100,487	6,245	106,732
2038	<u>10,575</u>	<u>99</u>	<u>10,674</u>
	<u>\$ 285,976</u>	<u>\$ 44,892</u>	<u>\$ 330,868</u>

Loan Payable 2 - Water: The Town entered into a loan agreement with Colorado Water Resources and Power Development Authority on August 30, 2013 in the amount of \$919,000. The loan proceeds were used to finance construction of water system improvements. The loan carries an interest rate of 0.00%. The loan is payable in semi-annual installments of \$15,317 beginning November 1, 2014 and maturing May 1, 2044. The loan is payable from the revenues generated from the system.

Annual requirements of the loan as of December 31, 2022 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 30,633	\$ -	\$ 30,633
2024	30,633	-	30,633
2025	30,633	-	30,633
2026	30,633	-	30,633
2027	30,633	-	30,633
2028-2032	153,167	-	153,167
2033-2037	153,167	-	153,167
2038-2042	153,167	-	153,167
2043-2044	<u>45,951</u>	<u>-</u>	<u>45,951</u>
	<u>\$ 658,617</u>	<u>\$ -</u>	<u>\$ 658,617</u>

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -5 LONG-TERM DEBT (Continued)

Loan Payable 1 - Sanitation: The Town entered into a loan agreement with Colorado Water Resources and Power Development Authority on November 20, 2006 in the amount of \$442,000. The loan proceeds were used for improvements to the lagoon system. The loan carries an interest rate of 1.875%. The loan is payable in semi-annual installments of \$13,349 beginning November 1, 2007 and maturing May 1, 2027. The loan is payable from the revenues generated from the system.

Annual requirements of the loan as of December 31, 2022 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 24,663	\$ 2,035	\$ 26,698
2024	25,127	1,571	26,698
2025	25,601	1,097	26,698
2026	26,083	615	26,698
2027	<u>13,225</u>	<u>124</u>	<u>13,349</u>
	<u>\$ 114,699</u>	<u>\$ 5,442</u>	<u>\$ 120,141</u>

In connection with the above notes payable, the Town is subject to various covenants and is required to maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation. As of December 31, 2022, the Town was in compliance with all covenants and maintained the required reserve of \$24,600 in the Sanitation Proprietary Fund and \$35,000 in the Water Proprietary Fund.

NOTE -6 PENSION PLANS

FIRE & POLICE – STATEWIDE DEFINED BENEFIT PLAN

Plan Description:

The Statewide Defined Benefit Plan (SWDB) is a cost-sharing multiple-employer defined benefit pension plan covering substantially all full-time employees of participating fire or police departments in Colorado hired on or after April 8, 1978 (New Hires), provided that they are not already covered by a statutorily exempt plan. As of August 5, 2003, the Plan may include clerical and other personnel from fire districts whose services are auxiliary to fire protection. The Plan became effective January 1, 1980.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

The Plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available annual comprehensive financial report that can be obtained on FPPA's website at <http://www.FPPAco.org>

Employers once had the option to elect to withdraw from the SWDB plan, but a change in state statutes permitted no further withdrawals after January 1, 1988. Colorado Revised Statutes, Title 31, Article 31 grants the authority to establish and amend the benefit terms to the Fire & Police Pension Association of Colorado Board of Directors.

Benefits Provided:

A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

TOWN OF STRATTON, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 PENSION PLANS (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. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions:

Contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates increased 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.0 percent of pensionable earnings. In 2021, members of the SWDB plan and their employers are contributing at the rate of 11.5 percent and 8.5 percent, respectively, of pensionable earnings for a total contribution rate of 20.0 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reflect the actual cost of reentry by department. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

The contribution rate for members and employers of affiliated social security employers is 5.75 percent and 4.25 percent, respectively, of pensionable earnings for a total contribution rate of 10.0 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of pensionable earnings. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.5 percent of pensionable earnings.

The member contribution rate as of December 31, 2022 for members hired prior to April 1, 2009 was 12.5% and the Town's contribution rate was 10.0%. For members hired after April 1, 2009 the member contribution rate as of December 31, 2022 was 12.0% and the Town's contribution rate was 9.0%. Contributions to the SWDB plan from the Town were \$0 for the year ended December 31, 2022.

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

At December 31, 2022, the Town reported an asset of \$0 for its proportionate share of the SWDB net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was based upon the January 1, 2021 actuarial valuation. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined at January 1, 2022. At December 31, 2022, the Town's proportion was 0.00 percent, which did not change from its proportion measured as of December 31, 2021.

For the year ended December 31, 2022, the Town recognized pension revenue of \$0. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF STRATTON, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 PENSION PLANS (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Changes in Assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion	-	-
Contributions subsequent to the measurement date	-	-
Total	\$ -	\$ -

The \$0 reported as deferred outflows of resources related to pensions resulting from the Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>Year ended December 31,</i>	<i>Amortization</i>
2023	\$ -
2024	-
2025	-
2026	-
2027	-
2028-2032	-
Total	\$ -

Actuarial Valuation Dates:

The collective total pension liability as of December 31, 2021 is based upon the January 1, 2022 actuarial valuation. The actuarially determined contributions as of December 31, 2021 are based upon the January 1, 2021 actuarial valuation.

Actuarial Assumptions:

The actuarial valuations for the Statewide Defined Benefit Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2021. The valuations used the following actuarial assumption and other inputs:

	Total Pension Liability	Actuarial Determined Contributions
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Actuarial Method	Entry Age Normal	Entry Age Normal
Amortization Method	N/A	Level % of Payroll, Open
Amortization Period	N/A	30 Years
Long-term Investment Rate of Return, net *	7.00%	7.00%
Projected Salary Increases *	4.25% - 11.25%	4.25% - 11.25%
Cost of Living Adjustment COLA	0.00%	0.00%
* Includes Inflation at	2.50%	2.50%

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The pre-retirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

TOWN OF STRATTON, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 PENSION PLANS (Continued)

At least every five years the FPPA's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2019. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

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 (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

<i>Asset Class</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Global Equity	39%	8.23%
Equity Long/Short	8%	6.87%
Private Markets	26%	10.63%
Fixed Income - Rates	10%	4.01%
Fixed Income - Credit	5%	5.25%
Absolute Return	10%	5.60%
Cash	2%	2.32%
Total	100%	

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

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 expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 1.84 percent (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 7.00 percent.

Regarding the sensitivity of the net pension liability/(asset) to changes in the single discount rate, the following presents the plan's net pension liability/(asset), calculated using a single discount rate of 7.00 percent, as well as what the plan's net pension liability/(asset) would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability (Asset)	\$ -	\$ -	\$ -

TOWN OF STRATTON, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -6 PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position:

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

Average Remaining Expected Service Life:

The average of the expected remaining service lives of all members in the plan, including active and inactive members, is 9.0075 years determined as of the beginning of the December 31, 2021 measurement period.

Subsequent Event:

Statewide Retirement Plan - During 2022, House Bill 22-1034 was signed into law. This legislation combines the assets and liabilities of the Statewide Defined Benefit Plan and Statewide Hybrid Plan to form the Statewide Retirement Plan effective January 1, 2023. The merger will result in increased longer term stability for both plans in addition to simplification of administration, operation and communication of benefits. The financial impact of the merger of plans is being determined.

Actuarial Experience Study - During 2022, FPPA engaged Gabriel, Roeder Smith & Co. to complete an actuarial experience study. The FPPA Board of Directors accepted the findings of the study at its July 28, 2022 meeting. These assumptions will be included in the Statewide Retirement Plan valuation as of January 1, 2023

NOTE -7 INTERFUND RECEIVABLES AND PAYABLES

Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between the Town's funds for the reimbursement of expenditures or to move special revenues collected in one fund to the special revenue fund (Conservation Trust Fund). Related interfund receivables and payables are classified as "due from other funds" and "due to other funds" on the balance sheet and statement of net position and will be settled within a reasonable time period.

The composition of due to / from other funds as of December 31, 2022 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water	\$ 85,337
General	Sanitation	40,317
General	Community Building	<u>6,398</u>
		<u>\$ 132,052</u>
Sanitation	General	\$ 6,745
Sanitation	Water	<u>34,690</u>
		<u>\$ 41,435</u>
Conservation Trust	General	<u>\$ 8,377</u>

NOTE -8 NET POSITION

Restricted net position represents net position whose users are subject to constraints that are either 1.) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or 2.) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2022 is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Operations and Maintenance	\$ -	\$ 59,600	\$ 59,600
Parks and Recreation	63,624	-	63,624
Emergencies - TABOR	<u>15,100</u>	-	<u>15,100</u>
	<u>\$ 78,724</u>	<u>\$ 59,600</u>	<u>\$ 138,324</u>

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -8 NET POSITION (Continued)

Restricted for Operations and Maintenance – The Town is required to maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation as set forth by the creditor.

Restricted for Parks and Recreation (Conservation Trust) – This represents money received from the State of Colorado for parks and open space related projects.

Restricted for Emergencies - TABOR – This represents approximately 3% of the Town’s 2022 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the Town’s net position can be used for declared emergencies only and the Town must maintain 3% or more of its spending in this restricted account. The Town does not believe this restriction meets the definition of a stabilization arrangement under generally accepted accounting principles.

NOTE -9 FUND BALANCES

At December 31, 2022, fund balances for governmental funds consist of the following:

	Restricted Fund Balance			Total
	Emergencies TABOR	Future Expenditures	Parks & Recreation	
General Fund	\$ 15,100	\$ -	\$ -	\$ 15,100
Conservation Trust Fund	-	-	63,624	63,624
Total	<u>\$ 15,100</u>	<u>\$ -</u>	<u>\$ 63,624</u>	<u>\$ 78,724</u>

	Assigned Fund Balance		
	Community and Economic Development	Future Expenditures	Total
Lodgers Tax Fund	\$ 29,998	\$ -	\$ 29,998

NOTE -10 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. The Town participates in a public entity risk pool to meet its insurance needs for workers' compensation. The Town utilizes the Colorado Intergovernmental Risk Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for over 100 Colorado governmental entities. The Town pays an annual premium to CIRSA for its workers compensation coverage.

It is the intent of the members of CIRSA to create a self-sustaining entity through member premiums and reinsurance through commercial companies for workers' compensation claims in excess of \$400,000 up to \$1 million for each insured event. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE -11 TAX SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments.

Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. The Town's management believes a significant portion of its operations qualify for this exclusion.

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -11 TAX SPENDING AND DEBT LIMITATIONS (Continued)

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. Emergency reserves have been provided for as required by Article X, Section 20 of the constitution of the State of Colorado. Per TABOR, \$15,100 of the fund balance has been reserved in compliance with this requirement.

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits and qualifications as an enterprise will require judicial interpretation. Accordingly, the possibility exists that the Town's interpretation of certain TABOR provisions may subsequently be determined to be incorrect. This could result in a potential refund of revenue unless voters approve retention of such revenue. The ultimate outcome of these matters cannot presently be determined and no provision for any liability for a refund of revenue has been made in the financial statements.

Voters of the Town passed a referendum at an election held November, 1997, permitting the Town to collect, retain, and expend the full proceeds of the Town's property taxes, non-federal grants, and all other rates, fees, tolls and charges for capital projects and municipal services, for the year 1997 and each subsequent year, notwithstanding any state restriction on fiscal year spending including, without limitation, the restrictions of Article X, Section 20, of the Colorado Constitution.

NOTE -12 SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF STRATTON COLORADO

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

STATEWIDE DEFINED BENEFIT PLAN

LAST 10 FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Town's proportion of the net pension liability (asset)	0.0000%	0.0000%	0.0000%	0.0070%	0.0090%	0.0094%	0.0087%	0.0091%	0.0093%
Town's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ 8,884	\$ (12,946)	\$ 3,396	\$ (154)	\$ (10,305)	\$ (8,288)
Town's covered payroll	\$ -	\$ -	\$ -	\$ 49,961	\$ 52,640	\$ 50,534	\$ 42,534	\$ 41,096	\$ 40,290
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	0.00%	17.78%	-24.59%	6.72%	-0.36%	-25.08%	-20.57%
Plan fiduciary net position as a percentage of the total pension liability (asset)	0.00%	0.00%	0.00%	95.20%	106.30%	98.21%	100.10%	106.80%	105.80%

* Information above is presented as of the measurement date (December 31 of the previous fiscal year.)

Note: Information presented since inception of GASB 68. As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.

See the accompanying Independent Auditors' Report.

TOWN OF STRATTON COLORADO
 SCHEDULE OF TOWN'S CONTRIBUTIONS
 STATEWIDE DEFINED BENEFIT PLAN

LAST 10 FISCAL YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ -	\$ -	\$ -	\$ -	\$ 4,336	\$ 4,211	\$ 4,700	\$ 3,956	\$ 3,822
Contributions in relation to the statutorily required contribution	-	-	-	-	(4,336)	(4,211)	(4,700)	(3,956)	(3,822)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ -	\$ -	\$ -	\$ -	\$ 49,961	\$ 52,640	\$ 50,534	\$ 42,534	\$ 41,096
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	8.68%	8.00%	9.30%	9.30%	9.30%

* Information above is presented as of the Town's fiscal year-end.

Note: Information presented since inception of GASB 68. As information becomes available, each subsequent year will be added until a full 10-year trend is compiled.

See the accompanying Independent Auditors' Report.

TOWN OF STRATTON, COLORADO

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2022

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 308,000	\$ 308,000	\$ 359,288	\$ 51,288
Licenses and permits	1,400	1,400	869	(531)
Intergovernmental	30,000	30,000	31,703	1,703
Charges for services	25,050	25,050	27,661	2,611
Grants	480,880	480,880	36,725	(444,155)
Other	28,725	28,725	53,388	24,663
TOTAL REVENUES	874,055	874,055	509,634	(364,421)
EXPENDITURES				
General government	133,949	133,949	132,394	1,555
Public safety	44,431	44,431	29,772	14,659
Public works	103,075	103,075	89,450	13,625
Health and welfare	3,100	3,100	1,998	1,102
Culture and recreation	81,932	81,932	85,509	(3,577)
Capital outlay	374,000	374,000	68,902	305,098
Debt service	2,000	2,000	9,682	(7,682)
TOTAL EXPENDITURES	742,487	742,487	417,707	324,780
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	131,568	131,568	91,927	(39,641)
OTHER FINANCING SOURCES				
Transfers in	93,500	93,500	-	(93,500)
Transfers out	(224,125)	(224,125)	-	224,125
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	943	943	91,927	90,984
FUND BALANCE JANUARY 1	512,780	512,780	512,780	-
FUND BALANCE DECEMBER 31	\$ 513,723	\$ 513,723	\$ 604,707	\$ 90,984

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS

General Fund – The general fund is the general operating fund of the Town; used to account for all resources that are not legally or by sound financial management to be accounted for in another fund.

TOWN OF STRATTON, COLORADO

GENERAL FUND

BALANCE SHEET

DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 440,912	\$ 453,318
Receivables		
Accounts	12,058	9,435
Taxes	92,000	94,000
Notes	981	1,860
Intergovernmental	37,993	32,797
Grants	10,006	14,766
Due from other funds	<u>132,052</u>	<u>88,634</u>
 TOTAL ASSETS	 <u>\$ 726,002</u>	 <u>\$ 694,810</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
Accrued expenses	14,173	7,516
Due to other funds	15,122	208
Unearned revenue	<u>-</u>	<u>80,306</u>
 TOTAL LIABILITIES	 <u>29,295</u>	 <u>88,030</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	<u>92,000</u>	<u>94,000</u>
FUND BALANCE		
Restricted for emergencies - TABOR	15,100	11,800
Unassigned	<u>589,607</u>	<u>500,980</u>
 TOTAL FUND BALANCE	 <u>604,707</u>	 <u>512,780</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	 <u>\$ 726,002</u>	 <u>\$ 694,810</u>

TOWN OF STRATTON, COLORADO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
REVENUES		
Taxes	\$ 359,288	\$ 314,188
Licenses and permits	869	1,039
Intergovernmental	31,703	43,931
Charges for services	27,661	28,078
Grants	36,725	77,088
Other	<u>53,388</u>	<u>30,091</u>
TOTAL REVENUES	<u>509,634</u>	<u>494,415</u>
EXPENDITURES		
General government	132,394	137,327
Public safety	29,772	2,949
Public works	89,450	105,797
Health and welfare	1,998	1,922
Culture and recreation	85,509	73,800
Capital outlay	68,902	61,590
Debt service	<u>9,682</u>	<u>9,682</u>
TOTAL EXPENDITURES	<u>417,707</u>	<u>393,067</u>
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	91,927	101,348
OTHER FINANCING SOURCES		
Proceeds from Lease Purchase Agreement	<u>-</u>	<u>61,300</u>
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	91,927	162,648
FUND BALANCE JANUARY 1	<u>512,780</u>	<u>350,132</u>
FUND BALANCE DECEMBER 31	<u><u>\$ 604,707</u></u>	<u><u>\$ 512,780</u></u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Lodgers Tax Special Revenue Fund – This fund is used for the collection and disbursement of lodging tax revenues to be used for the promotion and advertising of the Town.

Conservation Trust Special Revenue Fund – This fund is used to account for the collection and disbursement of revenues received from the Colorado state lottery and are restricted for parks and open space related projects.

TOWN OF STRATTON, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2022

	<u>SPECIAL REVENUE FUNDS</u>		<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
	<u>CONSERVATION TRUST</u>	<u>LODGERS TAX</u>	
ASSETS			
Cash and cash equivalents	\$ 55,247	\$ 29,579	\$ 84,826
Accounts receivable	-	419	419
Due from other funds	8,377	-	8,377
TOTAL ASSETS	<u>\$ 63,624</u>	<u>\$ 29,998</u>	<u>\$ 93,622</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Restricted for:			
Parks and recreation	63,624	-	63,624
Assigned for:			
Community and economic development	-	29,998	29,998
TOTAL FUND BALANCE	<u>63,624</u>	<u>29,998</u>	<u>93,622</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 63,624</u>	<u>\$ 29,998</u>	<u>\$ 93,622</u>

TOWN OF STRATTON, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCE

YEAR ENDED DECEMBER 31, 2022

	<u>SPECIAL REVENUE FUNDS</u>		<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
	<u>CONSERVATION TRUST</u>	<u>LODGERS TAX</u>	
REVENUES			
Taxes	\$ -	\$ 11,226	\$ 11,226
Intergovernmental	8,377	-	8,377
Interest Income	76	22	98
TOTAL REVENUES	<u>8,453</u>	<u>11,248</u>	<u>19,701</u>
EXPENDITURES			
General governmental	-	-	-
Economic development	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	8,453	11,248	19,701
FUND BALANCE JANUARY 1	<u>55,171</u>	<u>18,750</u>	<u>73,921</u>
FUND BALANCE DECEMBER 31	<u>\$ 63,624</u>	<u>\$ 29,998</u>	<u>\$ 93,622</u>

TOWN OF STRATTON, COLORADO

BALANCE SHEET

CONSERVATION TRUST SPECIAL REVENUE FUND

DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 55,247	\$ 54,963
Due from other funds	<u>8,377</u>	<u>208</u>
TOTAL ASSETS	<u>\$ 63,624</u>	<u>\$ 55,171</u>
LIABILITIES		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE		
Restricted for:		
Parks and recreation	<u>63,624</u>	<u>55,171</u>
TOTAL FUND BALANCE	<u>63,624</u>	<u>55,171</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 63,624</u>	<u>\$ 55,171</u>

TOWN OF STRATTON, COLORADO

CONSERVATION TRUST SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022		VARIANCE	2021
	ACTUAL	BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Intergovernmental	\$ 8,377	\$ 8,000	\$ 377	\$ 19,413
Interest income	76	20	56	48
TOTAL REVENUES	<u>8,453</u>	<u>8,020</u>	<u>433</u>	<u>19,461</u>
EXPENDITURES				
Recreation	-	40,000	40,000	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
REVENUES OVER EXPENDITURES	8,453	(31,980)	40,433	19,461
FUND BALANCE JANUARY 1	<u>55,171</u>	<u>55,171</u>	-	<u>35,710</u>
FUND BALANCE DECEMBER 31	<u>\$ 63,624</u>	<u>\$ 23,191</u>	<u>\$ 40,433</u>	<u>\$ 55,171</u>

TOWN OF STRATTON, COLORADO

BALANCE SHEET

LODGERS TAX SPECIAL REVENUE FUND

DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 29,579	\$ 17,850
Accounts receivable	419	900
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 29,998</u>	<u>\$ 18,750</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
	<u> </u>	<u> </u>
FUND BALANCE		
Assigned for:		
Community and economic development	<u>29,998</u>	<u>18,750</u>
	<u> </u>	<u> </u>
TOTAL FUND BALANCE	<u>29,998</u>	<u>18,750</u>
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 29,998</u>	<u>\$ 18,750</u>

TOWN OF STRATTON, COLORADO

LODGERS TAX SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022		VARIANCE	2021
	ACTUAL	BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Taxes	\$ 11,226	\$ 12,000	\$ (774)	\$ 13,302
Interest income	22	10	12	13
TOTAL REVENUES	<u>11,248</u>	<u>12,010</u>	<u>(762)</u>	<u>13,315</u>
EXPENDITURES				
Billboards	-	10,000	10,000	3,204
Other	-	2,000	2,000	1,800
TOTAL EXPENDITURES	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>5,004</u>
REVENUES OVER EXPENDITURES	11,248	10	11,238	8,311
FUND BALANCE JANUARY 1	<u>18,750</u>	<u>18,750</u>	-	<u>10,439</u>
FUND BALANCE DECEMBER 31	<u>\$ 29,998</u>	<u>\$ 18,760</u>	<u>\$ 11,238</u>	<u>\$ 18,750</u>

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Water Proprietary Fund - Accounts for the operations of the Town's water utility. Activities of the fund include administration, operation and maintenance, treatment, and distribution of the water system, along with accumulation of resources for the payment of principal and interest on long-term debt.

Sanitation Proprietary Fund - Accounts for the operations of the Town's sewer utility. Activities of the fund include administration, operation and maintenance, treatment, and collection of the waste water system, along with accumulation of resources for the payment of principal and interest on long-term debt.

Community Building Proprietary Fund - This fund is used to account for the collection and disbursement of specified rent revenues related to the use of the community building for economic and community development.

TOWN OF STRATTON, COLORADO

SANITATION PROPRIETARY FUND

BALANCE SHEET

DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash	\$ 191,764	\$ 146,884
Grant receivable	1,664	-
Due from other fund	<u>41,435</u>	<u>34,690</u>
TOTAL CURRENT ASSETS	234,863	181,574
NET PROPERTY AND EQUIPMENT	<u>750,913</u>	<u>773,974</u>
TOTAL ASSETS	<u>\$ 985,776</u>	<u>\$ 955,548</u>
 CURRENT LIABILITIES		
Accounts payable	\$ 2,657	\$ -
Accrued expenses	2,340	1,488
Due to other fund	40,317	22,034
Loans payable - current maturities	<u>24,663</u>	<u>24,207</u>
TOTAL CURRENT LIABILITIES	69,977	47,729
NONCURRENT LIABILITIES		
Loans payable - net of current maturities	<u>90,036</u>	<u>114,699</u>
TOTAL LIABILITIES	<u>160,013</u>	<u>162,428</u>
 NET POSITION		
Net investment in capital assets	636,214	635,068
Restricted for:		
Operations and maintenance	24,600	18,000
Unrestricted	<u>164,949</u>	<u>140,052</u>
TOTAL NET POSITION	<u>825,763</u>	<u>793,120</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 985,776</u>	<u>\$ 955,548</u>

TOWN OF STRATTON, COLORADO

SANITATION PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Charges for services	\$ 139,115	\$ 138,760
OPERATING EXPENSES		
Salaries	34,250	31,871
Employee benefits	1,499	1,499
Payroll Taxes	2,108	2,436
Utilities	16,179	19,333
Repairs and maintenance	39,458	8,456
Professional services	1,111	3,000
Supplies	-	2,671
Depreciation	23,061	23,085
Miscellaneous	3,682	2,428
TOTAL OPERATING EXPENSES	<u>121,348</u>	<u>94,779</u>
OPERATING INCOME (LOSS)	<u>17,767</u>	<u>43,981</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	384	329
Grant income	16,908	-
Interest expense	<u>(2,416)</u>	<u>(2,865)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>14,876</u>	<u>(2,536)</u>
CHANGE IN NET POSITION	32,643	41,445
NET POSITION JANUARY 1	<u>793,120</u>	<u>751,675</u>
NET POSITION DECEMBER 31	<u>\$ 825,763</u>	<u>\$ 793,120</u>

TOWN OF STRATTON, COLORADO

SANITATION PROPRIETARY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 139,115	\$ 138,760
Cash payments for supplies, goods, services	(57,773)	(35,888)
Cash payments to employees	(36,929)	(35,528)
	<u>44,413</u>	<u>67,344</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Grant proceeds	15,244	-
Due from other funds	(6,745)	(34,690)
Due to other funds	18,283	22,034
	<u>26,782</u>	<u>(12,656)</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on loan	(24,207)	(23,759)
Interest on debt	(2,492)	(2,939)
	<u>(26,699)</u>	<u>(26,698)</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on savings and other	384	329
	<u>384</u>	<u>329</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
NET CHANGE IN CASH	44,880	28,319
CASH - BEGINNING OF YEAR	146,884	118,565
CASH - END OF YEAR	<u>\$ 191,764</u>	<u>\$ 146,884</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 17,767	\$ 43,981
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation and amortization	23,061	23,085
Change in assets and liabilities		
Increase (decrease) in accounts payable	2,657	-
Increase (decrease) in accrued expenses	928	278
	<u>44,413</u>	<u>67,344</u>
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 44,413</u>	<u>\$ 67,344</u>

TOWN OF STRATTON, COLORADO

WATER PROPRIETARY FUND

BALANCE SHEET

DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash	\$ 1,125,829	\$ 966,078
Accounts receivable	47,394	40,783
	<u>1,173,223</u>	<u>1,006,861</u>
TOTAL CURRENT ASSETS		
NET PROPERTY AND EQUIPMENT	<u>2,607,555</u>	<u>2,675,951</u>
	<u>\$ 3,780,778</u>	<u>\$ 3,682,812</u>
TOTAL ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 4,164	\$ -
Accrued expenses	5,212	2,895
Customer deposits	2,693	2,693
Due to other funds	120,027	98,390
Loans payable - current maturities	46,693	46,396
	<u>178,789</u>	<u>150,374</u>
TOTAL CURRENT LIABILITIES		
NONCURRENT LIABILITIES		
Loans payable - net of current maturities	<u>897,900</u>	<u>944,593</u>
	<u>1,076,689</u>	<u>1,094,967</u>
TOTAL LIABILITIES		
NET POSITION		
Net investment in capital assets	1,662,962	1,684,962
Restricted for:		
Operations and maintenance	35,000	31,800
Unrestricted	<u>1,006,127</u>	<u>871,083</u>
	<u>2,704,089</u>	<u>2,587,845</u>
TOTAL NET POSITION		
	<u>\$ 3,780,778</u>	<u>\$ 3,682,812</u>
TOTAL LIABILITIES AND NET POSITION		

TOWN OF STRATTON, COLORADO

WATER PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
OPERATING REVENUES		
Charges for services	\$ 329,344	\$ 315,839
OPERATING EXPENSES		
Salaries	50,609	49,971
Employee benefits	4,497	4,497
Payroll taxes	3,754	3,812
Utilities	14,009	13,906
Repairs and maintenance	55,995	43,760
Professional services	640	2,700
Supplies	1,698	3,133
Depreciation	68,396	66,271
Miscellaneous	8,509	5,281
TOTAL OPERATING EXPENSES	208,107	193,331
OPERATING INCOME	121,237	122,508
NONOPERATING REVENUES (EXPENSES)		
Interest income	542	375
Interest expense	(5,535)	(5,827)
TOTAL NONOPERATING REVENUES (EXPENSES)	(4,993)	(5,452)
INCOME BEFORE CAPITAL CONTRIBUTIONS	116,244	117,056
CAPITAL CONTRIBUTION	-	1,000
CHANGE IN NET POSITION	116,244	118,056
NET POSITION JANUARY 1	2,587,845	2,469,789
NET POSITION DECEMBER 31	\$ 2,704,089	\$ 2,587,845

TOWN OF STRATTON, COLORADO

WATER PROPRIETARY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 322,733	\$ 319,547
Cash payments for supplies, goods, services	(77,359)	(71,481)
Cash payments to employees	(55,822)	(60,995)
	<u>189,552</u>	<u>187,071</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Due to other funds	<u>21,637</u>	<u>62,626</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	<u>21,637</u>	<u>62,626</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	-	(36,405)
Capital contributed	-	1,000
Principal paid on loan	(46,396)	(46,103)
Interest on debt	(5,584)	(5,875)
	<u>(51,980)</u>	<u>(87,383)</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on savings	<u>542</u>	<u>375</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	<u>542</u>	<u>375</u>
NET CHANGE IN CASH	159,751	162,689
CASH - BEGINNING OF YEAR	<u>966,078</u>	<u>803,389</u>
CASH - END OF YEAR	<u>\$ 1,125,829</u>	<u>\$ 966,078</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 121,237	\$ 122,508
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	68,396	66,271
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(6,611)	3,708
Increase (decrease) in accounts payable	4,164	(2,701)
Increase (decrease) in accrued expenses	2,366	(2,715)
	<u>189,552</u>	<u>187,071</u>
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 189,552</u>	<u>\$ 187,071</u>

TOWN OF STRATTON, COLORADO
COMMUNITY BUILDING PROPRIETARY FUND
BALANCE SHEET
DECEMBER 31, 2022 AND 2021

	2022	2021
CURRENT ASSETS		
Cash	\$ 61,335	\$ 13,854
TOTAL CURRENT ASSETS	61,335	13,854
NET PROPERTY AND EQUIPMENT	377,040	285,150
TOTAL ASSETS	\$ 438,375	\$ 299,004
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ -
Customer deposits	55	55
Due to other funds	6,398	2,900
Unearned revenue	58,037	-
TOTAL CURRENT LIABILITIES	64,490	2,955
NET POSITION		
Net investment in capital assets	377,040	285,150
Unrestricted	(3,155)	10,899
TOTAL NET POSITION	373,885	296,049
TOTAL LIABILITIES AND NET POSITION	\$ 438,375	\$ 299,004

TOWN OF STRATTON, COLORADO

COMMUNITY BUILDING PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Charges for services	<u>\$ 8,847</u>	<u>\$ 13,846</u>
OPERATING EXPENSES		
Utilities	8,590	5,438
Repairs and maintenance	11,058	8,779
Supplies	2,286	-
Insurance	647	581
Depreciation	10,686	10,686
Miscellaneous	<u>320</u>	<u>210</u>
TOTAL OPERATING EXPENSES	<u>33,587</u>	<u>25,694</u>
OPERATING INCOME (LOSS)	(24,740)	(11,848)
NONOPERATING REVENUES (EXPENSES)		
Grant income	<u>102,576</u>	<u>-</u>
CHANGE IN NET POSITION	77,836	(11,848)
NET POSITION JANUARY 1	<u>296,049</u>	<u>307,897</u>
NET POSITION DECEMBER 31	<u><u>\$ 373,885</u></u>	<u><u>\$ 296,049</u></u>

TOWN OF STRATTON, COLORADO

COMMUNITY BUILDING PROPRIETARY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 8,847	\$ 13,846
Cash payments for supplies, goods, services	(22,901)	(15,008)
Cash payments to employees	-	-
	<u>-</u>	<u>-</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(14,054)</u>	<u>(1,162)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers	3,498	-
	<u>3,498</u>	<u>-</u>
NET CHANGE IN CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	<u>3,498</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grant proceeds	160,613	-
Acquisition of capital assets	(102,576)	-
	<u>58,037</u>	<u>-</u>
NET CHANGE IN CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>58,037</u>	<u>-</u>
NET CHANGE IN CASH	47,481	(1,162)
CASH - BEGINNING OF YEAR	<u>13,854</u>	<u>15,016</u>
CASH - END OF YEAR	<u>\$ 61,335</u>	<u>\$ 13,854</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (24,740)	\$ (11,848)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	10,686	10,686
Change in assets and liabilities		
Increase (decrease) in accounts payable	-	-
	<u>-</u>	<u>-</u>
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (14,054)</u>	<u>\$ (1,162)</u>

TOWN OF STRATTON, COLORADO

SANITATION PROPRIETARY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2022

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Charges for services	\$ 138,000	\$ 138,000	\$ 139,115	\$ 1,115
Interest	500	500	384	(116)
Grant income	150,000	150,000	16,908	(133,092)
TOTAL REVENUES	288,500	288,500	156,407	(132,093)
EXPENDITURES				
Salaries	19,740	19,740	34,250	(14,510)
Employee benefits	3,504	3,504	1,499	2,005
Payroll taxes	1,511	1,511	2,108	(597)
Utilities	23,000	23,000	16,179	6,821
Repairs and maintenance	15,175	15,175	39,458	(24,283)
Professional services	-	-	1,111	(1,111)
Supplies	2,600	2,600	-	2,600
Depreciation	-	-	23,061	(23,061)
Miscellaneous	1,750	1,750	3,682	(1,932)
Capital outlay	30,000	30,000	-	30,000
Interest expense	3,595	3,595	2,416	1,179
Debt service	23,125	23,125	24,207	(1,082)
Grant expenses	150,000	150,000	-	150,000
Contingency reserve	13,000	13,000	-	13,000
TOTAL EXPENDITURES	287,000	287,000	147,971	139,029
REVENUE OVER (UNDER) EXPENDITURES	\$ 1,500	\$ 1,500	8,436	\$ 6,936
ADJUSTMENT TO RECONCILE BUDGETARY BASIS TO GAAP BASIS - ADJUSTMENTS FOR:				
Principal paid on notes			24,207	
CHANGE IN NET POSITION			32,643	
NET POSITION JANUARY 1			793,120	
NET POSITION DECEMBER 31			\$ 825,763	

TOWN OF STRATTON, COLORADO

WATER PROPRIETARY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2022

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Charges for services	\$ 371,000	\$ 371,000	\$ 329,344	\$ (41,656)
Interest income	-	-	542	542
Grant income	250,000	250,000	-	(250,000)
TOTAL REVENUES	621,000	621,000	329,886	(291,114)
EXPENDITURES				
Salaries	51,450	51,450	50,609	841
Employee benefits	10,512	10,512	4,497	6,015
Payroll Taxes	3,936	3,936	3,754	182
Utilities	20,950	20,950	14,009	6,941
Repairs and maintenance	57,750	57,750	55,995	1,755
Professional services	5,000	5,000	640	4,360
Supplies	2,234	2,234	1,698	536
Depreciation	-	-	68,396	(68,396)
Miscellaneous	10,250	10,250	8,509	1,741
Capital outlay	95,000	95,000	-	95,000
Interest expense	-	-	5,535	(5,535)
Debt service	45,918	45,918	46,396	(478)
Grant expenses	250,000	250,000	-	250,000
Contingency	75,000	75,000	-	75,000
TOTAL EXPENDITURES	628,000	628,000	260,038	367,962
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(7,000)	(7,000)	69,848	76,848
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	7,000	7,000	-	(7,000)
CONTRIBUTION	-	-	-	-
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	<u>\$ -</u>	<u>\$ -</u>	69,848	<u>\$ 69,848</u>
ADJUSTMENT TO RECONCILE BUDGETARY BASIS TO GAAP BASIS - ADJUSTMENTS FOR:				
Principal paid on notes			46,396	
CHANGE IN NET POSITION			116,244	
NET POSITION JANUARY 1			2,587,845	
NET POSITION DECEMBER 31			<u>\$ 2,704,089</u>	

TOWN OF STRATTON, COLORADO

COMMUNITY BUILDING PROPRIETARY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2022

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Charges for services	\$ 14,350	\$ 14,350	\$ 8,847	\$ (5,503)
Other income	650	650	-	(650)
Grant income	160,000	160,000	102,576	(57,424)
TOTAL REVENUES	175,000	175,000	111,423	(63,577)
EXPENDITURES				
Utilities	6,200	6,200	8,590	(2,390)
Repairs and maintenance	7,580	7,580	11,058	(3,478)
Supplies	-	-	2,286	(2,286)
Insurance	650	650	647	3
Depreciation	-	-	10,686	(10,686)
Miscellaneous	570	570	320	250
Capital outlay	160,000	160,000	102,576	57,424
TOTAL EXPENDITURES	175,000	175,000	136,163	38,837
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	-	-	(24,740)	(24,740)
OTHER FINANCING SOURCES (USES) TRANSFER IN	-	-	-	-
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	<u>\$ -</u>	<u>\$ -</u>	(24,740)	<u>\$ (24,740)</u>
ADJUSTMENT TO RECONCILE BUDGETARY BASIS TO GAAP BASIS - ADJUSTMENTS FOR:				
Acquisition of capital assets			102,576	
CHANGE IN NET POSITION			77,836	
NET POSITION JANUARY 1			296,049	
NET POSITION DECEMBER 31			<u>\$ 373,885</u>	

LOCAL HIGHWAY FINANCE REPORT

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): 12/22

This Information From The Records Of: Town of Stratton	Prepared By: Melanee Johnson
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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:	\$ 143,556.00
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	\$ 143,098.00	b. Snow and ice removal	\$ -
3. Other local imposts (from page 2)	\$ 6,856.00	c. Other	\$ 15,426.00
4. Miscellaneous local receipts (from page 2)	\$ -	d. Total (a. through c.)	\$ 15,426.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 24,492.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 1,948.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 185,422.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 149,954.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 35,468.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 185,422.00	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)	\$ 185,422.00

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
	\$ -	\$ 185,422.00	\$ 185,422.00	\$ -	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
 COLORADO
 YEAR ENDING (mm/yy):
 12/22

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 6,856.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 6,856.00	h. Other	
c. Total (a. + b.)	\$ 6,856.00	i. Total (a. through h.)	\$ -
<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.)	\$ 31,703.00	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	\$ 3,765.00	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ 3,765.00	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 35,468.00	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: