

**TOWN OF ANTONITO, COLORADO**

**BASIC FINANCIAL STATEMENTS**

**December 31, 2023**

# TABLE OF CONTENTS

## PAGE

### INTRODUCTORY SECTION

Title Page

Table of Contents

### FINANCIAL SECTION

Independent Auditors' Report

#### **Basic Financial Statements**

Government–Wide Financial Statements

Statement of Net Position 1

Statement of Activities 2

Fund Financial Statements

Balance Sheet – Governmental Funds 3

Statement of Revenues, Expenditures and Changes in Fund Balances –  
Governmental Funds 4

Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities 5

Statement of Net Position – Proprietary Fund Type 6

Statement of Revenues, Expenses and Changes in Net Position –  
Proprietary Fund Type 7

Statement of Cash Flows – Proprietary Fund Type 8

Statement of Fiduciary Net Position – Agency Fund 9

Notes to Financial Statements 10-22

#### **Required Supplementary Information**

General Fund – Budgetary Comparison Schedule 23

**TABLE OF CONTENTS**  
(Continued)

	<b><u>PAGE</u></b>
<b>FINANCIAL SECTION</b> (Continued)	
<b>Individual Fund Schedules</b>	
Conservation Trust Fund – Budgetary Comparison Schedule	24
Capital Projects Fund – Budgetary Comparison Schedule	25
Water Fund – Budgetary Comparison Schedule	26
Local Highway Finance Report	27 - 28

## FINANCIAL SECTION



# JOHN CUTLER & ASSOCIATES

Honorable Mayor and Members of the Town Council  
Town of Antonito  
Antonito, Colorado

## INDEPENDENT AUDITORS' REPORT

### Report on the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities and each major fund, of the Town of Antonito (the "Town") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Antonito as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 of 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 of the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required budgetary information on page 23 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 (GASB) 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.

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion is not affected by this missing information.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund schedules as listed in the table of contents, 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 individual fund schedules have 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 individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*John Cutler & Associates, LLC*

October 8, 2024

## **BASIC FINANCIAL STATEMENTS**

## TOWN OF ANTONITO, COLORADO

## STATEMENT OF NET POSITION

As of December 31, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
			2023	2022
<b>ASSETS</b>				
Cash and Investments	\$ 1,108,011	\$ 300,381	\$ 1,408,392	\$ 1,736,299
Restricted Cash and Investments	-	3,030	3,030	3,022
Receivables				
Property Taxes	51,069	-	51,069	63,467
Sales Taxes	24,814	-	24,814	-
Grants	-	-	-	258,335
Accounts	65,626	31,253	96,879	57,282
Interfund Balances	176,400	(176,400)	-	-
Capital Assets, not Depreciated	95,361	5,066,096	5,161,457	5,161,457
Capital Assets, Depreciated, Net of Accumulated Depreciation	2,289,550	4,698,922	6,988,472	6,589,741
Net Pension Asset	-	-	-	65,703
<b>TOTAL ASSETS</b>	<b>3,810,831</b>	<b>9,923,282</b>	<b>13,734,113</b>	<b>13,935,306</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to Pensions	-	-	-	37,487
<b>LIABILITIES</b>				
Accounts Payable	70,415	4,254	74,669	93,645
Accrued Expenses	6,399	1,889	8,288	402
Noncurrent Liabilities				
Due within One Year	-	56,182	56,182	55,448
Due in More Than One Year	17,226	2,254,811	2,272,037	2,328,993
<b>TOTAL LIABILITIES</b>	<b>94,040</b>	<b>2,317,136</b>	<b>2,411,176</b>	<b>2,478,488</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Property Tax Revenue	51,069	-	51,069	63,467
Related to Pensions	-	-	-	66,871
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>51,069</b>	<b>-</b>	<b>51,069</b>	<b>130,338</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	2,372,935	7,458,653	9,831,588	9,376,635
Restricted for Emergencies	45,000	-	45,000	45,000
Unrestricted	1,247,787	147,493	1,395,280	1,942,332
<b>TOTAL NET POSITION</b>	<b>\$ 3,665,722</b>	<b>\$ 7,606,146</b>	<b>\$ 11,271,868</b>	<b>\$ 11,363,967</b>

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

TOWN OF ANTONITO, COLORADO

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
<b>PRIMARY GOVERNMENT</b>				
<b>Governmental Activities</b>				
General Government	\$ 208,840	\$ 23,307	\$ -	\$ -
Public Safety	302,811	-	-	-
Highways and Streets	308,754	-	204,667	-
Parks and Recreation	181,902	-	-	9,111
Solid Waste Management	160,264	220,550	-	-
Interest on Long-Term Debt	-	-	-	-
Total Governmental Activities	<u>1,162,571</u>	<u>243,857</u>	<u>204,667</u>	<u>9,111</u>
<b>Business-Type Activities</b>				
Water and Wastewater	<u>573,369</u>	<u>351,428</u>	<u>-</u>	<u>60,326</u>
Total Business-Type Activities	<u>573,369</u>	<u>351,428</u>	<u>-</u>	<u>60,326</u>
Total Primary Government	<u>\$ 1,735,940</u>	<u>\$ 595,285</u>	<u>\$ 204,667</u>	<u>\$ 69,437</u>

GENERAL REVENUES

Sales Taxes  
Property Taxes  
Specific Ownership Taxes  
Franchise Taxes  
Interest  
Other  
Transfers

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning, restated

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND  
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2023	2022
\$ (185,533)	\$ -	\$ (185,533)	\$ (534,400)
(302,811)	-	(302,811)	(181,894)
(104,087)	-	(104,087)	(192,613)
(172,791)	-	(172,791)	(23,872)
60,286	-	60,286	44,471
-	-	-	-
(704,936)	-	(704,936)	(888,308)
-	(161,615)	(161,615)	1,885,051
-	(161,615)	(161,615)	1,885,051
(704,936)	(161,615)	(866,551)	996,743
631,044	-	631,044	789,262
69,801	-	69,801	64,692
11,780	-	11,780	12,081
27,225	-	27,225	21,697
9,176	8	9,184	2,951
25,418	-	25,418	23,524
(28,000)	28,000	-	-
746,444	28,008	774,452	914,207
41,508	(133,607)	(92,099)	1,910,950
3,624,214	7,739,753	11,363,967	9,453,017
<u>\$ 3,665,722</u>	<u>\$ 7,606,146</u>	<u>\$ 11,271,868</u>	<u>\$ 11,363,967</u>

TOWN OF ANTONITO, COLORADO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2023

	GENERAL FUND	CAPITAL PROJECTS FUND	NON-MAJOR	GOVERNMENTAL FUNDS	
			CONSERVATION TRUST FUND	2023	2022
<b>ASSETS</b>					
Cash and Investments	\$ 560,226	\$ 528,930	\$ 18,855	\$ 1,108,011	\$ 1,646,759
Taxes Receivable	51,069	24,814	-	75,883	63,467
Grants Receivable	-	-	-	-	35,730
Due from Other Funds	138,210	38,190	5,602	182,002	182,002
Accounts Receivable	65,626	-	-	65,626	26,029
<b>TOTAL ASSETS</b>	<b>\$ 815,131</b>	<b>\$ 591,934</b>	<b>\$ 24,457</b>	<b>\$ 1,431,522</b>	<b>\$ 1,953,987</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 70,415	\$ -	\$ -	\$ 70,415	\$ 93,110
Accrued Expenses	6,399	-	-	6,399	402
Due to Other Funds	5,602	-	-	5,602	5,602
<b>TOTAL LIABILITIES</b>	<b>82,416</b>	<b>-</b>	<b>-</b>	<b>82,416</b>	<b>99,114</b>
<b>DEFERRED INFLOWS</b>					
Deferred Property Taxes	51,069	-	-	51,069	63,467
<b>TOTAL DEFERRED INFLOWS</b>	<b>51,069</b>	<b>-</b>	<b>-</b>	<b>51,069</b>	<b>63,467</b>
<b>Fund Balance</b>					
Restricted	45,000	591,934	24,457	661,391	757,237
Unassigned	636,646	-	-	636,646	1,034,169
<b>TOTAL FUND EQUITY</b>	<b>681,646</b>	<b>591,934</b>	<b>24,457</b>	<b>1,298,037</b>	<b>1,791,406</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY</b>	<b>\$ 815,131</b>	<b>\$ 591,934</b>	<b>\$ 24,457</b>		

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	2,384,911	1,809,616
Long-term liabilities are not due and payable in the current period and are not reported in the funds. This is accrued compensated absences.	(17,226)	23,192
<b>Net position of governmental activities</b>	<b>\$ 3,665,722</b>	<b>\$ 3,624,214</b>

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

TOWN OF ANTONITO, COLORADO

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended December 31, 2023

	GENERAL FUND	CAPITAL PROJECTS FUND	NON-MAJOR	GOVERNMENTAL FUNDS	
			CONSERVATION TRUST FUND	2023	2022
REVENUES					
Property Taxes	\$ 69,801	\$ -	\$ -	\$ 69,801	\$ 64,692
Sales Taxes	479,217	151,827	-	631,044	789,262
Specific Ownership Taxes	11,780	-	-	11,780	12,081
Franchise Taxes	27,225	-	-	27,225	21,697
Intergovernmental	204,667	-	9,111	213,778	550,913
Licenses and Permits	23,307	-	-	23,307	34,575
Charges for Services	220,550	-	-	220,550	207,171
Fines and Forfeitures	-	-	-	-	7,728
Interest	5,629	3,539	8	9,176	2,948
Miscellaneous	20,004	5,414	-	25,418	10,921
TOTAL REVENUES	<u>1,062,180</u>	<u>160,780</u>	<u>9,119</u>	<u>1,232,079</u>	<u>1,701,988</u>
EXPENDITURES					
General Government	192,780	-	-	192,780	553,869
Public Safety	262,778	-	-	262,778	200,467
Highways and Streets	272,440	-	-	272,440	397,264
Parks and Recreation	159,123	-	4,880	164,003	14,210
Solid Waste Management	160,264	-	-	160,264	150,097
Capital Outlay	384,318	260,865	-	645,183	590,909
TOTAL EXPENDITURES	<u>1,431,703</u>	<u>260,865</u>	<u>4,880</u>	<u>1,697,448</u>	<u>1,906,816</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(369,523)</u>	<u>(100,085)</u>	<u>4,239</u>	<u>(465,369)</u>	<u>(204,828)</u>
OTHER FINANCING USES					
Transfer Out	<u>(28,000)</u>	<u>-</u>	<u>-</u>	<u>(28,000)</u>	<u>(28,000)</u>
TOTAL OTHER FINANCING USES	<u>(28,000)</u>	<u>-</u>	<u>-</u>	<u>(28,000)</u>	<u>(28,000)</u>
NET CHANGE IN FUND BALANCES	<u>(397,523)</u>	<u>(100,085)</u>	<u>4,239</u>	<u>(493,369)</u>	<u>(232,828)</u>
FUND BALANCES, Beginning	<u>1,079,169</u>	<u>692,019</u>	<u>20,218</u>	<u>1,791,406</u>	<u>2,024,234</u>
FUND BALANCES, Ending	<u>\$ 681,646</u>	<u>\$ 591,934</u>	<u>\$ 24,457</u>	<u>\$ 1,298,037</u>	<u>\$ 1,791,406</u>

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

TOWN OF ANTONITO, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended December 31, 2023

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

Net Changes in Fund Balances - Total Governmental Funds	\$ (493,369)
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 capital outlay \$659,961, exceeded depreciation expense (\$84,666).	575,295
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This included change in accrued compensated absences.	(4,099)
Deferred charges related to pensions are not recognized in the governmental funds. However, for the government-wide financial statements, these amounts are capitalized and amortized.	<u>(36,319)</u>
Change in Net Position of Governmental Activities	<u>\$ 41,508</u>

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

TOWN OF ANTONITO, COLORADO

STATEMENT OF NET POSITION  
 PROPRIETARY FUND TYPE  
 As of December 31, 2023

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$ 300,381	\$ 89,540
Restricted Cash and Investments	3,030	3,022
Grants Receivable	-	222,605
Accounts Receivable	31,253	31,253
	<u>334,664</u>	<u>346,420</u>
Total Current Assets		
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	9,765,018	9,941,582
	<u>9,765,018</u>	<u>9,941,582</u>
Total Noncurrent Assets		
	<u>10,099,682</u>	<u>10,288,002</u>
<b>TOTAL ASSETS</b>		
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	4,254	535
Accrued Expenses	1,889	-
Due to Other Funds	176,400	176,400
Loan Payable, Current	56,182	55,448
	<u>238,725</u>	<u>232,383</u>
Total Current Liabilities		
Noncurrent Liabilities		
Accrued Compensated Absences	4,628	4,628
Loan Payable, Long Term	2,250,183	2,311,238
	<u>2,254,811</u>	<u>2,315,866</u>
Total Noncurrent Liabilities		
	<u>2,493,536</u>	<u>2,548,249</u>
<b>TOTAL LIABILITIES</b>		
<b>NET POSITION</b>		
Net Investment in Capital Assets	7,458,653	7,574,896
Unreserved	147,493	164,857
	<u>7,606,146</u>	<u>7,739,753</u>
<b>TOTAL NET POSITION</b>		

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

TOWN OF ANTONITO, COLORADO

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUND TYPE  
Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Charges for services	\$ 351,428	\$ 272,498
Other Revenues	-	-
	<u>351,428</u>	<u>272,498</u>
TOTAL OPERATING REVENUES		
	<u>351,428</u>	<u>272,498</u>
OPERATING EXPENSES		
Water and Wastewater Operations	573,369	443,052
	<u>573,369</u>	<u>443,052</u>
TOTAL OPERATING EXPENSES		
	<u>573,369</u>	<u>443,052</u>
OPERATING INCOME (LOSS)	<u>(221,941)</u>	<u>(170,554)</u>
NON-OPERATING REVENUES (EXPENSES)		
Transfer In	28,000	28,000
Grant Revenue	60,251	2,050,980
Interest Income	8	3
	<u>88,259</u>	<u>2,078,983</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)		
	<u>88,259</u>	<u>2,078,983</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>(133,682)</u>	<u>1,908,429</u>
Tap Fees and Contributions	75	4,625
	<u>75</u>	<u>4,625</u>
NET INCOME	(133,607)	1,913,054
NET POSITION, Beginning	7,739,753	5,826,699
	<u>7,739,753</u>	<u>5,826,699</u>
NET POSITION, Ending	<u>\$ 7,606,146</u>	<u>\$ 7,739,753</u>

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

TOWN OF ANTONITO, COLORADO

STATEMENT OF CASH FLOWS

PROPRIETARY FUND TYPE

Year Ended December 31, 2023

Increase (Decrease) in Cash and Cash Equivalents

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 574,033	\$ 279,353
Cash Paid to Suppliers	(297,637)	(174,897)
Cash Paid to Employees	(60,672)	(60,672)
Net Cash Provided (Used) by Operating Activities	<u>215,724</u>	<u>43,784</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of Fixed Assets	(32,888)	(2,056,204)
Grant Revenue	60,251	2,050,980
Loan Proceeds	-	1,751,000
Loan Principal Payments	(60,321)	(1,778,364)
Tap Fees and Contributions	75	4,625
Transfers	28,000	28,000
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,883)</u>	<u>37</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	<u>8</u>	<u>3</u>
Net Increase (Decrease) in Cash and Cash Equivalents	210,849	43,824
CASH AND CASH EQUIVALENTS, Beginning	<u>92,562</u>	<u>48,738</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 303,411</u>	<u>\$ 92,562</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	<u>\$ (221,941)</u>	<u>\$ (170,554)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities		
Depreciation	209,452	167,042
Changes in Assets and Liabilities		
Grants Receivable	222,605	(11,145)
Accounts Receivable	-	18,000
Accounts Payable	3,719	(98,550)
Accrued Compensated Absences	-	781
Due To Other Funds	-	138,210
Total Adjustments	<u>437,665</u>	<u>214,338</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 215,724</u>	<u>\$ 43,784</u>

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

TOWN OF ANTONITO, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Antonito, Colorado was founded in 1889. The Town operates under a Town Council form of government and provides the following services: public safety, highway and street maintenance, water and sewer, culture and recreation, debt service and general government activities, including financial administration, planning and zoning and municipal court services. The Town is governed by a Mayor and six-member council elected by the residents.

The accounting policies of the Town of Antonito, Colorado (the “Town”) conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

**Reporting Entity**

In accordance with governmental accounting standards, the Town of Antonito has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

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

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. 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 the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

TOWN OF ANTONITO, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

Separate financial statements are provided for governmental funds and proprietary funds. 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 the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

TOWN OF ANTONITO, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

(Continued)

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

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

The *Capital Projects Fund* accounts for revenues and expenditures of the Town dedicated to the Town's street projects as well as other capital equipment and improvement projects

The Town reports the following major proprietary fund:

The *Water Fund* accounts for the financial activities associated with the provision of water and wastewater.

**Cash and Investments**

Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

**Capital Assets**

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 - 40 years
Water and Sewer Plants	10 - 50 years
Water and Sewer Lines	10 - 50 years
Machinery and Equipment	5 - 40 years
Infrastructure	10 - 20 years

TOWN OF ANTONITO, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and balance sheets 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 and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to the liabilities, the statement of financial position and balance sheets 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 and fund balance that applies to a futures period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**Compensated Absences**

Eligible employees can earn vacation leave and sick leave. The vacation pay is paid upon termination of employment. In Governmental funds, only liabilities for compensated absences of employees terminated prior to the close of the calendar year that was not paid until the subsequent year is reported as an expenditure and fund liability. The remainder of the unpaid compensated absences liability is only recognized in the Government-wide report. In proprietary funds, compensated absences are recorded as an expense and liability of the fund.

**Long-Term Obligations**

In the government-wide financial statements, and proprietary fund type in the fund 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF ANTONITO, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Net Position**

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represent assets that do not have any third party limitation on their use. While Town management may have categorized and segmented portion for various purposes, the Town Council has the unrestricted authority to revisit or alter these managerial decisions.

**Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The Town does not report any amounts as nonspendable at December 31, 2023.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified the following amounts as restricted as of December 31, 2023:

Emergency Reserves	\$ 45,000
Capital Projects	591,934
Park and Recreation	<u>24,457</u>
Total	<u>\$ 661,391</u>

TOWN OF ANTONITO, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Fund Balance Classification** (Continued)

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town does not have any committed fund balances as of December 31, 2023.
- Assigned – Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by Town Council or a Town official delegated that Town by Town Charter or ordinance. The Town does not have any assigned fund balances as of December 31, 2023.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources.

**Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1 each year. The taxes are payable in two installments on February 28 and June 15, or in full on April 30. The Conejos County Treasurer bills and collects all property taxes for the Town. Monthly remittances are sent to the Town of Antonito. Property tax revenue is recognized when it becomes available. Available includes property taxes expected to be collected within 30 days. Delinquent taxes are considered fully collectible; therefore, no allowance for uncollectible taxes is provided.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

TOWN OF ANTONITO, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgets and Budgetary Accounting**

The Town of Antonito follows the procedures set forth in the Colorado Local Government Budget Law when preparing the annual budget for each fund. Budget procedures include:

- 1) Preparation of budget documents by administrative staff which shall be submitted to the Board in October of each year.
- 2) Publication of a notice stating that the budget is available for public inspection.
- 3) Discussion of the budget in a meeting open to the public.
- 4) Adoptions of the budget in a public meeting by appropriate resolution.

Formal budgetary integration is employed as a management control device for all funds of the Town. General Fund and Special Revenue Fund budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Proprietary Fund budget is adopted using the same accounting methods as governmental fund types; this procedure follows Colorado statute but is not in accordance with GAAP.

- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- Budgets are legally adopted for all funds of the Town. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparisons presented for the Water Fund is presented on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure and depreciation is not budgeted.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations by fund.

**Legal Compliance**

The actual expenditures of the Capital Projects Fund exceeded the budgeted amount by \$58,560. This may be a violation of State statutes.

TOWN OF ANTONITO, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 3: DEPOSITS AND INVESTMENTS**

A summary of deposits as of December 31, 2023 follows:

Cash Deposits **\$ 1,411,422**

The above amounts are classified in the statement of Net Position as follows:

Governmental Activities	\$ 1,108,011
Business-Type Activities –Unrestricted	300,381
Business-Type Activities - Restricted	<u>3,030</u>
 Total	 <b><u>\$ 1,411,422</u></b>

**Deposits**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The town does not have a deposit policy for custodial credit risk. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2023, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

At December 31, 2023, the Town had deposits with financial institutions with a carrying amount of \$1,411,422. The bank balances with the financial institutions were \$1,467,955. Of these balances, \$370,706 was covered by federal depository insurance and \$1,097,249 was covered by collateral held by authorized escrow agents in the financial institution’s name (PDPA).

**Restricted Cash**

As of December 31, 2023, cash in the amount \$3,030 is restricted in the Water Fund to comply with USDA loan covenants.

TOWN OF ANTONITO, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 3: DEPOSITS AND INVESTMENTS** (Continued)

**Investments**

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

The Town does not have any investments as of December 31, 2023.

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2023 is summarized below:

	<u>Balances</u> <u>12/31/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/23</u>
<b>Governmental Activities</b>				
Capital Assets, not depreciated				
Land	\$ 95,361	\$ -	\$ -	\$ 95,361
Capital Assets, depreciated				
Buildings	1,100,628	155,125	-	1,255,753
Machinery and Equipment	615,766	14,779	-	630,545
Infrastructure	<u>724,685</u>	<u>490,057</u>	<u>-</u>	<u>1,214,742</u>
Total Capital Assets, depreciated	<u>2,441,079</u>	<u>659,961</u>	<u>-</u>	<u>3,101,040</u>
Less Accumulated Depreciation				
Buildings	275,376	33,501	-	308,877
Machinery and Equipment	285,078	36,670	-	321,748
Infrastructure	<u>166,370</u>	<u>14,495</u>	<u>-</u>	<u>180,865</u>
Total Accumulated Depreciation	<u>726,824</u>	<u>84,666</u>	<u>-</u>	<u>811,490</u>
Total Capital Assets, depreciated, Net	<u>1,714,255</u>	<u>575,295</u>	<u>-</u>	<u>2,289,550</u>
Governmental Activities, Capital Assets, Net	<u>\$ 1,809,616</u>	<u>\$ 575,295</u>	<u>\$ -</u>	<u>\$ 2,384,911</u>

TOWN OF ANTONITO, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 4: CAPITAL ASSETS (Continued)**

	<u>Balances</u> <u>12/31/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>12/31/23</u>
<b>Business-Type Activities</b>				
Capital Assets, not depreciated				
Land	\$ 9,824	\$ -	\$ -	\$ 9,824
Construction in Process	<u>5,056,272</u>	<u>-</u>	<u>5,056,272</u>	<u>-</u>
Total Capital Assets, not depreciated	<u>5,066,096</u>	<u>-</u>	<u>5,056,272</u>	<u>9,824</u>
Capital Assets, depreciated				
Water / Sewer System	6,403,626	5,089,160	-	11,492,786
Machinery and Equipment	<u>34,506</u>	<u>-</u>	<u>-</u>	<u>34,506</u>
Total Capital Assets, depreciated	<u>6,438,132</u>	<u>5,089,160</u>	<u>-</u>	<u>11,527,292</u>
Less: Accumulated Depreciation				
Water / Sewer	1,531,165	208,289	-	1,739,454
Machinery and Equipment	<u>31,481</u>	<u>1,163</u>	<u>-</u>	<u>32,644</u>
Total Accumulated Depreciation	<u>1,562,646</u>	<u>209,452</u>	<u>-</u>	<u>1,772,098</u>
Total Capital Assets, depreciated, Net	<u>4,875,486</u>	<u>4,879,708</u>	<u>-</u>	<u>9,755,194</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 9,941,582</u>	<u>\$ 4,879,708</u>	<u>\$ 5,056,272</u>	<u>\$ 9,765,018</u>

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

**Governmental Activities**

General Government	\$ 16,060
Public Streets	48,993
Public Safety	1,714
Parks and Recreation	<u>17,899</u>
 Total	 <u>\$ 84,666</u>

**Business-type Activities**

Water / Sewer System	<u>\$ 209,452</u>
----------------------	-------------------

The Town owns numerous parcels of land that were acquired by the Town by either purchases or donations. According to GASB Statement No. 34 capital assets should be valued at historical cost or estimated historical cost for items purchased, or if they are donated they should be recorded at the estimated acquisition value. Many of these parcels were under the Town's threshold of \$5,000 and they are not included in the land value total.

TOWN OF ANTONITO, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 5: LONG-TERM DEBT**

**Governmental Activities**

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2023.

	Balance <u>12/31/22</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/23</u>	Due In <u>One Year</u>
Accrued Compensated Absences	13,127	4,099	-	17,226	-
Total	<u>\$ 13,127</u>	<u>\$ 4,099</u>	<u>\$ -</u>	<u>\$ 17,226</u>	<u>\$ -</u>

Accrued Compensated Absences are being paid from resources generated by the General Fund.

**Business-Type Activities**

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2023.

	Balance <u>12/31/22</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>12/31/23</u>	Due In <u>One Year</u>
2015 CWRPD Loan	\$ 615,686	\$ -	\$ 27,364	\$ 588,322	\$ 27,364
2022 USDA Revenue Bond	1,751,000	-	32,957	1,718,043	28,818
Accrued Compensated Absences	4,628	-	-	4,628	-
Total	<u>\$ 2,371,314</u>	<u>\$ -</u>	<u>\$ 60,321</u>	<u>\$ 2,310,993</u>	<u>\$ 56,182</u>

**2015 Colorado Water Resources and Power Development Authority (CWRPD) Loan**

In February 2015, the Town entered into a loan agreement with the Colorado Water Resources and Power Development Authority (“CWRPD”). Proceeds of the loan/grant are used to improve the Town’s water and sewer facilities. Under the terms of the agreement, the Town received a combination of loan and grant funds totaling \$3,400,000. \$2,372,730 of the proceeds are subject to principal forgiveness and do not require repayment by the Town. The remaining balance of \$1,027,270 are subject to repayment by the Town. The loan carries no interest. Semi-annual principal payments in the amount of \$17,121 are due on November 1 and May 1, beginning in 2015 and ending in 2045.

TOWN OF ANTONITO, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 5: LONG-TERM DEBT**(Continued)

**Business-Type Activities** (Continued)

**2015 Colorado Water Resources and Power Development Authority (CWRPD) Loan**  
(Continued)

In December 2017, CWRPD revised the loan agreement by reducing the outstanding loan amount by \$189,159 which represents the amount of unspent project funds. The annual loan repayment amount was also revised. Beginning in 2020, semi-annual principal payments in the amount of \$13,682 are due on and May 1 and November 1, ending in 2045.

**2022 USDA Water and Wastewater Revenue Bond**

In October 2022, the Town obtained a Water and Wastewater Revenue Bond, Series 2022, from the United States Department of Agriculture (USDA) in the amount of \$1,751,000 for improvements to its wastewater system. The loan requires monthly payments of \$5,429 including interest of 2.125%, due October 2062.

**Future Debt Service Requirements**

Annual debt service requirements at December 31, 2023 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 56,182	\$ 36,330	\$ 92,512
2025	56,801	25,711	92,512
2026	57,432	35,080	92,512
2027	58,078	34,434	92,512
2028	58,737	33,775	92,512
2029-2033	304,075	158,485	462,560
2034-2038	322,807	139,753	462,560
2039-2043	343,637	118,923	462,560
2044-2048	271,020	95,761	366,781
2049-2053	255,736	70,004	325,740
2054-2058	284,377	41,363	325,740
2059-2062	<u>237,483</u>	<u>10,325</u>	<u>247,808</u>
<b>Totals</b>	<b><u>\$ 2,306,365</u></b>	<b><u>\$ 809,944</u></b>	<b><u>\$ 3,116,309</u></b>

TOWN OF ANTONITO, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 6: PUBLIC ENTITY RISK POOL**

The Town of Antonito is exposed to various risks of loss related to torts; theft of or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries workers compensation coverage through Pinnacol Assurance.

The Town participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). This public entity risk pool does not meet the criteria for inclusion within the reporting entity because CIRSA is:

- Financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- Has a separate governing board from that of the Town,
- Has a separate management, which is responsible for day to day operations and is accountable to a separate governing board,
- The governing board and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients of services provided, and
- Has absolute authority over all funds and fiscal responsibility including budgetary responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

The purpose of the risk pool is to provide members the coverage's authorized by law, through joint self-insurance, reinsurance, or any combination thereof, to provide claims services related to such coverage's and to provide risk management and loss control services to assist members in preventing and reducing losses and injuries.

There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded insurance coverage for the current year or the three prior years.

**NOTE 7: COMMITMENTS AND CONTINGENCIES**

**Tabor Amendment**

Colorado Voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment. Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth.

TOWN OF ANTONITO, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 7: COMMITMENTS AND CONTINGENCIES (Continued)**

**Tabor Amendment** (Continued)

Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The amendment also requires that Emergency Reserves be established. These reserves must be a least three percent of the current year spending base. This Emergency Reserve has been presented as a restricted net position in the financial statements. The Town is not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The voters have elected to allow the Town to exceed the fiscal year spending limitations of the amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, the emergency reserve of \$45,000 was recorded as a restriction of und balance in the General Fund.

**NOTE 8: SUBSEQUENT EVENTS**

Potential subsequent events were considered through October 8, 2024. It was determined that the following event should be disclosed:

The Town entered into a lease purchase agreement with Alamosa State Bank on December 15, 2023, for land to build a garage in 2024 for \$656,250. The funding will be distributed as the new garage is built. The amortization schedule begins in September 2024 after the garage is expected to be complete. The terms of the loan will be monthly payments of \$3,798 through June 15, 2049. The interest rate on the lease will be fixed at 4.90% for the first 5 and a half years. On June 15, 2028, the rate will adjust to minus 3% of the United States prime rate with a 3.90% floor rate to be adjusted every 5 years thereafter.

**REQUIRED SUPPLEMENTARY INFORMATION**

TOWN OF ANTONITO, COLORADO

GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Property Taxes	\$ 64,498	\$ 69,801	\$ 5,303	\$ 64,692
Sales Taxes	580,000	479,217	(100,783)	627,480
Specific Ownership Taxes	9,000	11,780	2,780	12,081
Franchise Taxes	17,000	27,225	10,225	21,697
Intergovernmental	66,000	204,667	138,667	339,434
Licenses and Permits	15,695	23,307	7,612	34,575
Charges for Services	166,210	220,550	54,340	207,171
Fines and Forfeitures	-	-	-	7,728
Miscellaneous	-	20,004	20,004	10,921
Interest	1,015	5,629	4,614	1,698
TOTAL REVENUES	<u>919,418</u>	<u>1,062,180</u>	<u>142,762</u>	<u>1,327,477</u>
EXPENDITURES				
Current				
General Government	203,011	192,780	10,231	331,897
Public Safety	287,000	262,778	24,222	200,467
Highways and Streets	324,890	272,440	52,450	397,264
Parks and Recreation	17,500	159,123	(141,623)	14,210
Solid Waste Management	158,224	160,264	(2,040)	150,097
Capital Outlay	350,000	384,318	(34,318)	346,533
Contingency	32,518	-	32,518	-
TOTAL EXPENDITURES	<u>1,373,143</u>	<u>1,431,703</u>	<u>(58,560)</u>	<u>1,440,468</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(453,725)</u>	<u>(369,523)</u>	<u>84,202</u>	<u>(112,991)</u>
OTHER FINANCING SOURCES (USES)				
Transfer Out	<u>(28,000)</u>	<u>(28,000)</u>	<u>-</u>	<u>(28,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(28,000)</u>	<u>(28,000)</u>	<u>-</u>	<u>(28,000)</u>
NET CHANGE IN FUND BALANCE	(481,725)	(397,523)	84,202	(140,991)
FUND BALANCE, Beginning	<u>726,462</u>	<u>1,079,169</u>	<u>352,707</u>	<u>1,220,160</u>
FUND BALANCE, Ending	<u>\$ 244,737</u>	<u>\$ 681,646</u>	<u>\$ 436,909</u>	<u>\$ 1,079,169</u>

See the accompanying independent auditors' report.

**INDIVIDUAL FUND SCHEDULES**

TOWN OF ANTONITO, COLORADO

CAPITAL PROJECTS FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	157,000	151,827	(5,173)	161,782
Intergovernmental	-		-	203,242
Interest Income	1,325	3,539	2,214	1,245
Miscellaneous	5,000	5,414	414	-
<b>TOTAL REVENUES</b>	<b>163,325</b>	<b>160,780</b>	<b>(2,545)</b>	<b>366,269</b>
EXPENDITURES				
Current				
General Government	5,100	-	5,100	221,972
Capital Outlay	420,000	260,865	159,135	244,376
<b>TOTAL EXPENDITURES</b>	<b>425,100</b>	<b>260,865</b>	<b>164,235</b>	<b>466,348</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(261,775)</b>	<b>(100,085)</b>	<b>161,690</b>	<b>(100,079)</b>
FUND BALANCE, Beginning	566,493	692,019	125,526	792,098
FUND BALANCE, Ending	<u>\$ 304,718</u>	<u>\$ 591,934</u>	<u>\$ 287,216</u>	<u>\$ 692,019</u>

See the accompanying independent auditors' report.

TOWN OF ANTONITO, COLORADO

CONSERVATION TRUST FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ 7,500	\$ 9,111	\$ 1,611	\$ 8,237
Interest	10	8	(2)	5
TOTAL REVENUES	<u>7,510</u>	<u>9,119</u>	<u>1,609</u>	<u>8,242</u>
EXPENDITURES				
Parks and Recreation	<u>10,950</u>	<u>4,880</u>	<u>6,070</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(3,440)	4,239	7,679	8,242
FUND BALANCE, Beginning	<u>14,065</u>	<u>20,218</u>	<u>6,153</u>	<u>11,976</u>
FUND BALANCE, Ending	<u>\$ 10,625</u>	<u>\$ 24,457</u>	<u>\$ 13,832</u>	<u>\$ 20,218</u>

See the accompanying independent auditors' report.

TOWN OF ANTONITO, COLORADO

WATER FUND  
 BUDGETARY COMPARISON SCHEDULE  
 Year Ended December 31, 2023

	2023		VARIANCE Positive (Negative)	2022 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Charges for Services	\$ 363,949	\$ 351,428	\$ (12,521)	\$ 272,498
Tap Fees and Contributions	1,500	75	(1,425)	4,625
Interest Income	-	8	8	3
Grant Revenue	-	60,251	60,251	2,050,939
Other Revenues	-	-	-	41
Transfer In	-	28,000	28,000	28,000
TOTAL REVENUES	<u>365,449</u>	<u>439,762</u>	<u>74,313</u>	<u>2,356,106</u>
EXPENDITURES				
Water and Wastewater Operations	<u>437,211</u>	<u>363,917</u>	<u>73,294</u>	<u>276,010</u>
TOTAL EXPENDITURES	<u>437,211</u>	<u>363,917</u>	<u>73,294</u>	<u>276,010</u>
NET INCOME, Budget Basis	<u>\$ (71,762)</u>	75,845	<u>\$ 147,607</u>	2,080,096
GAAP BASIS ADJUSTMENTS				
Depreciation		<u>(209,452)</u>		<u>(167,042)</u>
NET INCOME, GAAP Basis		(133,607)		1,913,054
NET POSITION, Beginning		<u>7,739,753</u>		<u>5,826,699</u>
NET POSITION, Ending		<u>\$ 7,606,146</u>		<u>\$ 7,739,753</u>

See the accompanying independent auditors' report.