

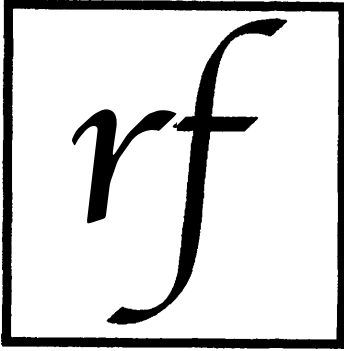
Town of Gilcrest, Colorado
Financial Statements
December 31, 2023

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Independent Auditor's Report

Town Council
Town of Gilcrest
Gilcrest, CO

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of Town of Gilcrest (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 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Town 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a

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¹
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going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages iii through xi and pages 28 and 29, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our

inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying supplementary information on pages 30 through 41 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. Such 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc

September 20, 2024

Management's Discussion and Analysis

This discussion and analysis of the financial performance of the Town of Gilcrest, Colorado (Town) provides an overview of the Town's financial activities for the fiscal year ended December 31, 2023. Please read it in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The Net Position of the Town increased by \$552,669 (8.4%) during 2023, to \$7,163,525.
- At December 31, 2023, the Town's governmental funds reported combined ending fund balances of \$2,717,466. This marked an increase of \$414,166 (23.1%) from the prior year's ending governmental fund balances.
- The Town's General Fund increased its Fund Balance by \$427,144 (18.0%) during 2023.
- The Net Position of the Town's Business-type activities (water, sewer, and storm drainage enterprises) increased by \$148,297 (4.0%) in 2023.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Town of Gilcrest's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 a private-sector business.

The *Statement of Net Position* presents information on all the Town's assets and liabilities and deferred inflows and outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information showing 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 this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee leave).

Both government-wide financial statements distinguish functions of the Town of Gilcrest 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 government, public safety (police), public works, health and welfare, and parks and recreation. The business-type activities of the Town include water and sewer operations.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Gilcrest, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Town can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds -- Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds. The unrestricted balances left at year-end are available for spending in future years. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide detailed short-term views of cash, operations, and basic services

provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

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

The Town of Gilcrest maintains six individual governmental funds. Information for these funds is presented by fund name in the *Governmental Fund Balance Sheet* and the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for three of the six governmental funds that meet the criteria to be designated as major funds (General Fund, Street Capital Improvement Fund, and Capital Improvement Fund). The Town's non-major funds (Conservation Trust Fund, Municipal Court Surcharge Fund, and Town Hall Replacement Fund) are combined in the Non-major Governmental Funds column on these statements.

Proprietary Funds -- The Town's utility services are reported in proprietary funds; they focus on overall economic position rather than year-end fund balances. Enterprise funds are the type of proprietary funds used to account for the Town's Water Fund, Sewer Fund, and Stormwater Fund. All three funds meet the criteria to be designated as major funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements, only in a bit more detail.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately after the fund financial statements.

Other information

Budgetary comparison statements or schedules for all funds with budgeted expenditures/expenses are included following the "Notes to Financial Statements" to demonstrate each fund's compliance with adopted budgets and appropriations. For the year ended December 31, 2023, all funds had budgeted expenditures/expenses.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Gilcrest, assets exceeded liabilities and deferred inflows of resources by \$7,163,525 at the close of 2023. As shown below, the Town's financial position improved by \$552,669 (8.4%) during 2023.

Town of Gilcrest's Condensed Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 3,089,631	\$ 3,216,424	\$ 1,020,619	\$ 1,051,717	\$ 4,110,250	\$ 4,268,141
Capital assets, net	559,010	571,050	3,427,919	3,571,590	3,986,929	4,142,640
Total assets	\$ 3,648,641	\$ 3,787,474	\$ 4,448,538	\$ 4,623,307	\$ 8,097,179	\$ 8,410,781
Current liabilities	\$ 59,518	\$ 82,233	\$ 65,765	\$ 146,464	\$ 125,283	\$ 228,697
Noncurrent Liabilities	13,136	16,842	481,127	585,993	494,263	602,835
Total liabilities	\$ 72,654	\$ 99,075	\$ 546,892	\$ 732,457	\$ 619,546	\$ 831,532
Deferred inflows of resources	\$ 314,108	\$ 830,890	\$ -	\$ -	\$ 314,108	\$ 830,890
Net position:						
Net investment in capital assets	\$ 559,010	\$ 571,050	\$ 2,906,831	\$ 2,999,732	\$ 3,465,841	\$ 3,570,782
Restricted	575,456	539,839	-	60,940	575,456	600,779
Unrestricted	2,127,413	1,746,620	994,815	830,178	3,122,228	2,576,798
Total net position	\$ 3,261,879	\$ 2,857,509	\$ 3,901,646	\$ 3,890,850	\$ 7,163,525	\$ 6,748,359

Much (48.4%) of the Town's total net position at December 31, 2023 is represented by its investment in capital assets (e.g. land, infrastructure, buildings, machinery, and equipment). The Town uses these capital assets to provide services to residents and businesses; consequently, these assets are not available for future spending.

Approximately 8.0% (\$575,456) of the Town's total net position at the end of 2023 represents resources that are subject to external restrictions on how they may be used. They are mostly fund balance restrictions of sales taxes collected for capital improvements (\$416,675). An additional \$38,230 is restricted for parks, \$63,551 for law enforcement, and \$57,000 for emergencies.

The remaining amount of the Town's total net position at the end of 2023 (\$3,122,228) represents 43.6% of total net position and may be used to meet the Town's other ongoing obligations to residents and creditors.

The following chart displays the changes in net position experienced by the Town over the last two fiscal years. An analysis of these changes follows for both its Governmental and Business-type Activities.

Town of Gilcrest's Condensed Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues:						
Charges for services	\$ 207,770	\$ 167,605	\$ 513,680	\$ 499,310	\$ 721,450	\$ 666,915
Operating grants & contributions	236,012	205,271	-	-	236,012	205,271
Capital grants & contributions	-	-	163,430	147,280	163,430	147,280
General revenues:						
Property taxes	295,752	263,473	-	22,302	295,752	285,775
Sales & use taxes	395,227	367,493	-	-	395,227	367,493
Other taxes	93,029	99,605	-	-	93,029	99,605
Investment income	140,997	26,758	37,557	12,084	178,554	38,842
Other general revenues	18,830	62,432	1,569	-	20,399	62,432
Total revenues	\$ 1,387,617	\$ 1,192,637	\$ 716,236	\$ 680,976	\$ 2,103,853	\$ 1,873,613
Program expenses:						
General government	\$ 216,114	\$ 230,099	\$ -	\$ -	\$ 216,114	\$ 230,099
Public safety	207,630	212,236	-	-	207,630	212,236
Public works	298,113	234,594	-	-	298,113	234,594
Health & welfare	41,332	32,539	-	-	41,332	32,539
Culture, recreation and parks	116,456	95,793	-	-	116,456	95,793
Water utility	-	-	342,106	267,590	342,106	267,590
Sewer utility	-	-	304,191	278,118	304,191	278,118
Stormwater utility	-	-	25,242	26,700	25,242	26,700
Total expenses	\$ 879,645	\$ 805,261	\$ 671,539	\$ 572,408	\$ 1,409,486	\$ 1,255,176
Transfers In/(Out)	\$ (103,600)	\$ -	\$ 103,600	\$ -	\$ -	\$ -
Increase/(decrease)in net position	\$ 404,372	\$ 387,376	\$ 148,297	\$ 108,568	\$ 552,669	\$ 495,944
Net Position, Beginning	2,857,507	2,470,131	3,753,349	3,644,781	6,610,856	6,114,912
Net Position, Ending	\$ 3,261,879	\$ 2,857,507	\$ 3,901,646	\$ 3,753,349	\$ 7,163,525	\$ 6,610,856

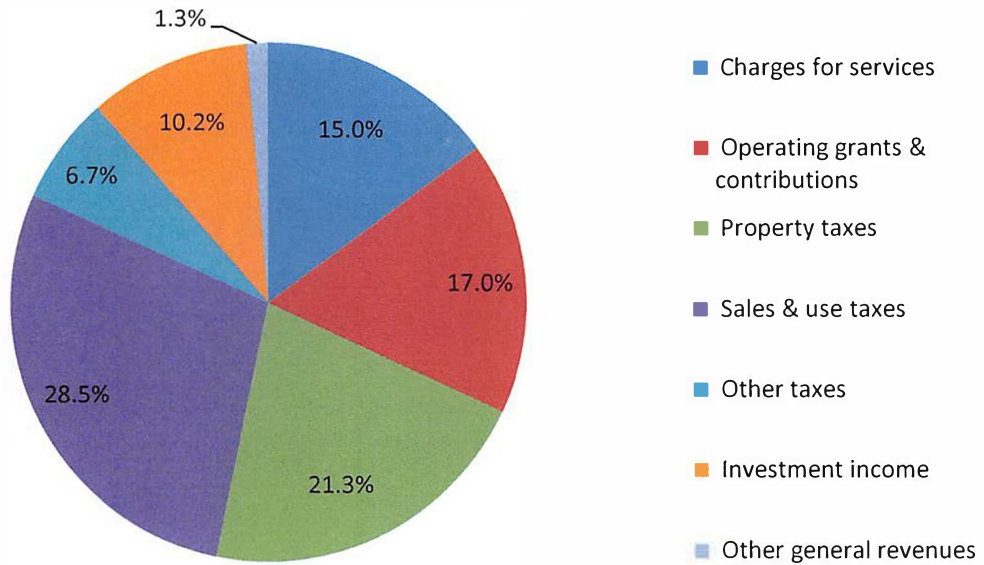
Governmental Activities

The Town's Governmental Activities increased in net position by \$404,372 (14.2%) in 2023. Key elements of this increase are as follows:

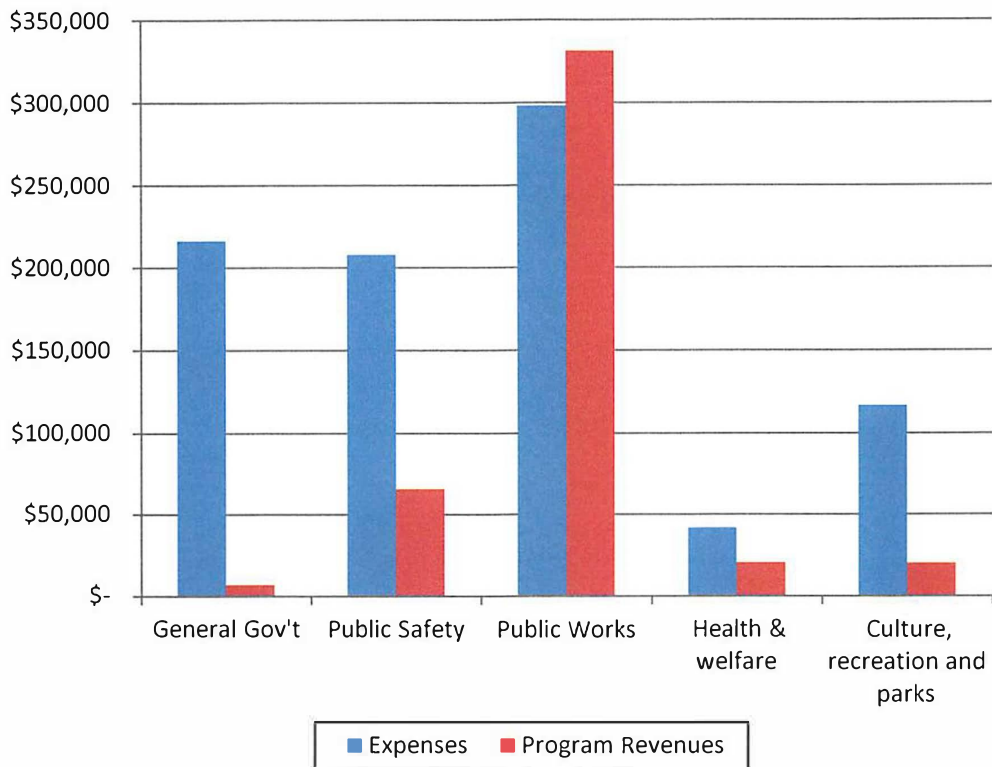
- Charges for services increased by \$40,165 (24.0%) in 2023.
- Investment income increased by \$114,239 (427.0%) in 2023 due to utilization of Local Government Investment Pools and inflationary interest rates.
- Total revenues from all sources surpassed increased expenses by \$507,972 (57.7%).

The following two charts illustrate the Governmental Activities revenues and expenses. As in most municipalities, the expenses of governmental activities are not fully supported through program revenues but are largely financed through taxes.

Revenues by Source - Governmental Activities



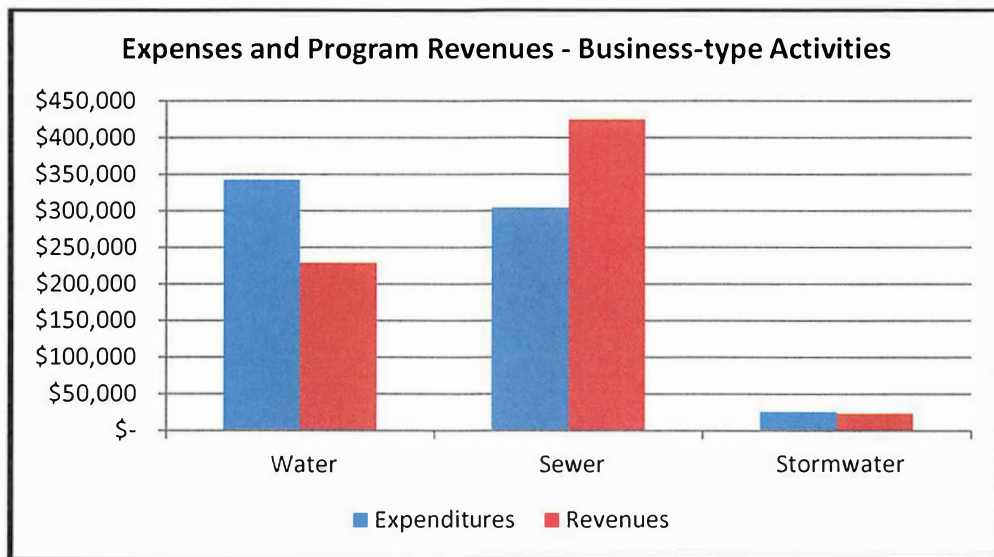
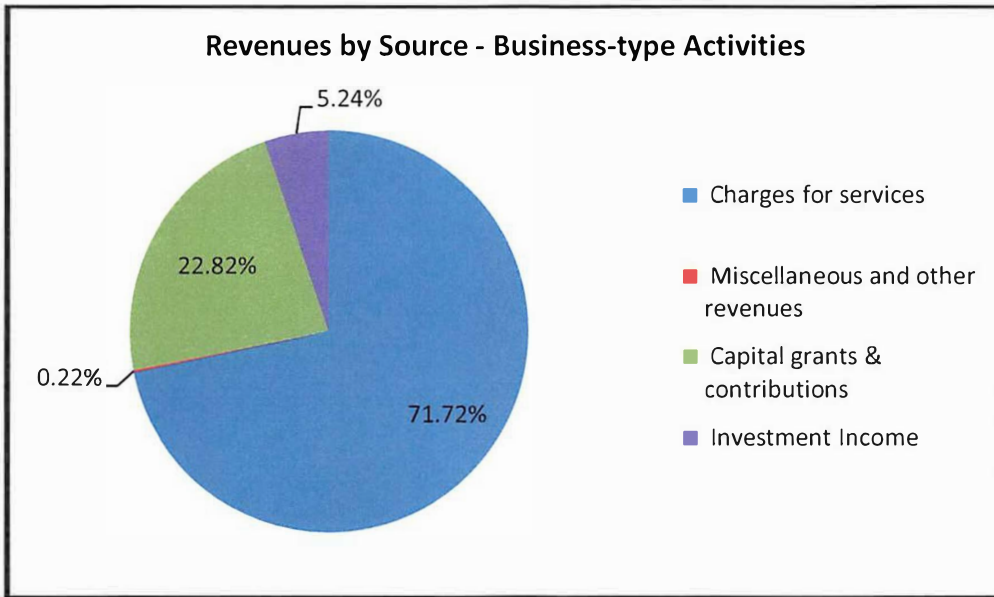
Expenses and Program Revenues - Governmental Activities



Business-type Activities

Business-type Activities increased in net position by \$148,297 (4.0%) during 2023. Operating Expenses exceeded Charges for Services in the Water Fund causing an operating loss of \$124,853. In the Sewer Fund, Operating Expenses exceeded Charges for Services causing an operating loss of \$20,130. In the Stormwater Fund Operating Expenses exceeded Charges for Services causing an operating loss of \$3,719. Management anticipates that rate increases as well as gradual growth in customer bases will address future revenue needs in these funds.

The following two charts illustrate the Business-type Activities revenues and expenses for 2023.

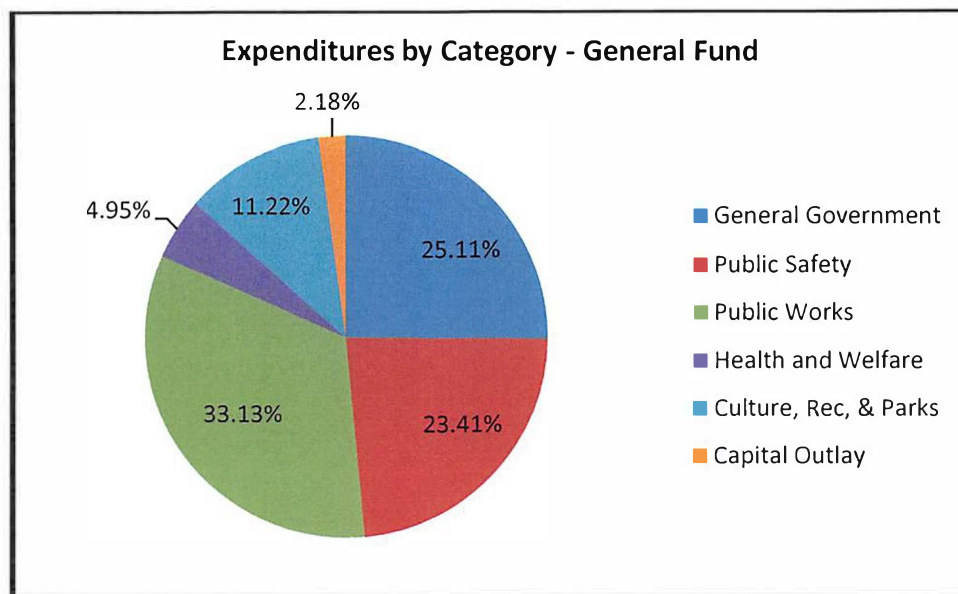
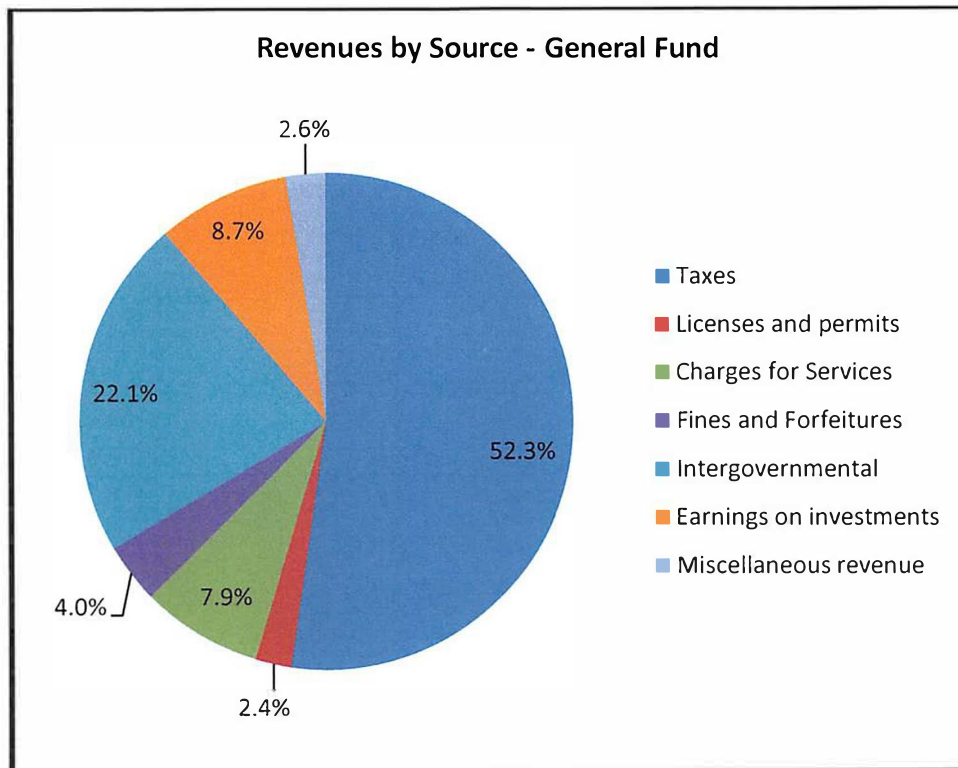


THE TOWN'S FUNDS

As noted earlier, the Town of Gilcrest uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (unrestricted fund balance) in each fund are shown at year end. At December 31, 2023 the Town's three major Governmental funds reported combined

ending fund balances of \$2,311,580. These funds and the Town's three major Business-type Funds are discussed below.

General Fund. The General Fund is the chief operating fund of the Town of Gilcrest. It accounts for all the general services provided by the Town. At the end of 2023, the fund balance of the General Fund totaled \$1,471,028. This was a \$279,028 (23.4%) increase from 2022 primarily due to revenue increases from sales taxes and property taxes, interest earnings, and moderate expenditures. Revenues totaled \$1,227,606 and expenditures totaled \$834,678. The following two tables illustrate General Fund revenues and expenditures during 2023.



Street Capital Improvement Fund. At the end of 2023, the fund balance of the Street Capital Improvement Fund totaled \$423,877. This was a \$64,883 (18.1%) increase from 2022. Revenues and transfers in totaled \$64,883 and there were no expenditures during the year.

Capital Improvement Fund. At the end of 2023, the fund balance of the Capital Improvement Fund totaled \$416,675. This was a \$13,323 (3.3%) increase from 2022. Revenues and transfers in totaled \$135,323. There were no expenditures but a transfer out of \$122,000.

Water Fund. At December 31, 2023 the net position of the Water Fund was \$1,564,567. This was a decrease of \$95,251 (-5.7%) from 2022. Part of the decrease was attributable to depreciation of the water system capital assets; the rest was due to operating expenses exceeding operating revenues. The Fund had an operating loss of \$124,853 in 2023.

Sewer Fund. At December 31, 2023 the net position of the Sewer Fund was \$1,631,343. This was an increase of \$243,072 (17.5%) from 2022. Most of the increase was attributable to a capital grant received from the federal American Rescue Plan for sewer system improvements. The Fund had an operating loss of \$20,130 in 2023.

Stormwater Fund. At December 31, 2023 the net position of the Stormwater Fund was \$705,736. This was a small increase of \$475 from 2022. The Fund had an operating loss of \$3,719 in 2023.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At December 31, 2023 the Town had invested in a range of capital assets including land, buildings and improvements, vehicles, office equipment, and park equipment. Note 5 of the financial statements provides a summary of changes in capital assets during the year. During 2023, the Town continued designing improvements to its sewer system, purchased an effluent pump, and made playground and park improvements.

The Town has specified certain sales tax revenue streams to fund capital improvements. One-quarter of the Town's four cent sales tax is restricted for general governmental capital improvements.

Debt Administration. The Town's long-term debt primarily consists of loans to the Enterprise Funds. In these business-type activities at December 31, 2023, the Town had a balance of \$6,964 owed on its 2004 Energy Impact Assistance Fund (EIAF) Loan from the Colorado Department of Local Affairs (DOLA), a \$36,961 balance on its 2009 EIAF Loan, and a \$477,163 balance on its Colorado Water Resources & Power Development Authority (CWRPDA) loan. These debts were incurred for water and sewer system facilities. Compensated absences are also recorded. See Note 6 for more detailed information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The extent of oil and gas industry operations in the region fluctuates quickly and significantly with the national economy. When active drilling takes place in the region, the Town benefits from increases in sales taxes, property taxes, and state shared excise taxes. Management is aware that these revenues will continue to benefit the Town to some extent. Currently the Town seeks to be conservative in its revenue estimates.

Federal spending, federal unemployment insurance practices, restrictions on domestic energy production, and considerable expansion of the monetary supply is causing significant inflation throughout all sectors of the economy. The full economic impact of these state- and federal-imposed policies and restrictions on the Town's future budgets has yet to be determined.

REQUESTS FOR INFORMATION

This financial report is designed to provide the Town of Gilcrest's residents, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the funds it receives and assets it maintains. If you have questions about this report, or should you desire additional financial information, contact the Town's management at Town of Gilcrest, 304 8th Street, P.O. Box 128, Gilcrest, CO 80623 or call Town Hall at (970) 737-2426.

Basic Financial Statements

**Town of Gilcrest
Statement of Net Position
December 31, 2023**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 2,612,065	\$ 961,373	\$ 3,573,438
Receivables	402,833	48,906	451,739
Receivables from other governments	51,595	-	51,595
Prepaid expenses	23,138	10,340	33,478
Non-Current Assets:			
Capital asset, not being depreciated:			
Water rights, land, system enhancement fees	37,514	683,075	720,589
Construction in progress	-	290,971	290,971
Capital asset, net of accumulated depreciation	<u>521,496</u>	<u>2,453,873</u>	<u>2,975,369</u>
Total Non-Current Assets	<u>559,010</u>	<u>3,427,919</u>	<u>3,986,929</u>
Total Assets	<u>3,648,641</u>	<u>4,448,538</u>	<u>8,097,179</u>
LIABILITIES			
Accounts payable and accrued expenses	58,058	8,822	66,880
Unearned revenues	-	3,882	3,882
Long-term liabilities:			
Due within one year:			
Bonds and loans payable	-	51,752	51,752
Compensated absences	1,460	1,309	2,769
Due in more than one year:			
Bonds and loans payable	-	469,336	469,336
Compensated absences	13,136	11,791	24,927
Total liabilities	<u>72,654</u>	<u>546,892</u>	<u>619,546</u>
Deferred inflow of resources:			
Deferred property taxes	<u>314,108</u>	-	<u>314,108</u>
Total deferred inflows	<u>314,108</u>	-	<u>314,108</u>
NET POSITION			
Net investment in capital assets	559,010	2,906,831	3,465,841
Restricted for:			
TABOR	57,000	-	57,000
Law enforcement	63,551	-	63,551
Capital replacement	416,675	-	416,675
Parks and recreation	38,230	-	38,230
Unrestricted	<u>2,127,413</u>	<u>994,815</u>	<u>3,122,228</u>
Total net position	<u>\$ 3,261,879</u>	<u>\$ 3,901,646</u>	<u>\$ 7,163,525</u>

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

**Town of Gilcrest
Statement of Activities
For the Year Ended December 31, 2023**

	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs						
Primary government						
Governmental Activities						
General Government	\$ 216,114	\$ -	\$ -	\$ (209,398)	\$ -	\$ (209,398)
Public Safety	207,630	-	-	(142,163)	-	(142,163)
Public Works	298,113	221,557	-	33,239	-	33,239
Health & Welfare	41,332	-	-	(21,003)	-	(21,003)
Culture, Recreation and Parks	116,456	14,455	-	(96,538)	-	(96,538)
Total governmental activities	879,645	236,012	-	(435,863)	-	(435,863)
Business-type activities:						
Water	342,106	-	15,000	-	(113,446)	(113,446)
Sewer Fund	304,191	-	146,330	-	120,632	120,632
Stormwater Fund	25,242	-	-	-	(1,615)	(1,615)
Total business-type activities	671,539	-	161,330	-	5,571	5,571
Total primary government	1,551,184	236,012	161,330	(435,863)	5,571	(430,292)
General revenues:						
Taxes:						
Property taxes, including SO taxes				\$ 295,752	\$ -	\$ 295,752
Sales and use taxes				395,227	-	395,227
Franchise fees				42,674	-	42,674
Miscellaneous taxes				50,355	-	50,355
Unrestricted investment earnings				140,997	37,557	178,554
Miscellaneous				18,830	1,569	20,399
Transfers				(103,600)	103,600	-
Total general revenues, special items, and transfers				840,235	142,726	982,961
Change in net position				404,372	148,297	552,669
Net position - beginning				2,857,507	3,753,349	6,610,856
Net position - ending				\$ 3,261,879	\$ 3,901,646	\$ 7,163,525

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

**Town of Gilcrest
Balance Sheet
Governmental Funds
December 31, 2023**

	<u>General Fund</u>	<u>Street Capital Improvement</u>	<u>Capital Improvement Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 1,383,594	\$ 423,877	\$ 402,888	\$ 401,708	\$ 2,612,067
Taxes receivable, net	314,108	-	-	-	314,108
Receivable from other governments	47,386	-	-	4,209	51,595
Other receivables	74,937	-	13,787	-	88,724
Prepaid Expenses	22,967	-	-	171	23,138
Total assets	<u>1,842,992</u>	<u>423,877</u>	<u>416,675</u>	<u>406,088</u>	<u>3,089,632</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	57,856	-	-	202	58,058
Total liabilities	<u>57,856</u>	<u>-</u>	<u>-</u>	<u>202</u>	<u>58,058</u>
Deferred inflow of resources:					
Deferred property taxes	314,108	-	-	-	314,108
Fund balances:					
Non spendable	22,967	-	-	171	23,138
Restricted:					
TABOR	57,000	-	-	-	57,000
Law enforcement	-	-	-	63,551	63,551
Capital replacement	-	-	416,675	-	416,675
Parks and recreation	-	-	-	38,230	38,230
Committed-Other purposes:					
Town hall	-	-	-	303,934	303,934
Street improvements	-	423,877	-	-	423,877
Unassigned	1,391,061	-	-	-	1,391,061
Total fund balances	<u>1,471,028</u>	<u>423,877</u>	<u>416,675</u>	<u>405,886</u>	<u>2,717,466</u>
Total liabilities and fund balances	<u>\$ 1,842,992</u>	<u>\$ 423,877</u>	<u>\$ 416,675</u>	<u>\$ 406,088</u>	<u>\$ 3,089,632</u>

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

Town of Gilcrest
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2023

Total fund balance, governmental funds	\$ 2,717,466
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.	559,010
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	<u>(14,597)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 3,261,879</u>

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

Town of Gilcrest
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General Fund	Street Capital Improvement	Capital Improvement Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 296,802	\$ -	\$ -	\$ -	\$ 296,802
Sales and use taxes	302,486	-	92,741	-	395,227
Franchise tax	42,674	-	-	-	42,674
Fees and fines	48,504	-	-	-	48,504
Licenses and permits	29,418	-	-	-	29,418
Intergovernmental	271,912	-	-	14,455	286,367
Charges for services	97,137	2,880	-	15,588	115,605
Investment earnings	106,649	12,003	10,282	12,062	140,996
Miscellaneous	32,024	-	-	-	32,024
Total revenues	1,227,606	14,883	103,023	42,105	1,387,617
EXPENDITURES					
General government	209,603	-	-	-	209,603
Public safety	195,403	-	-	1,992	197,395
Health and welfare	41,332	-	-	-	41,332
Culture and rec	93,649	-	-	14,989	108,638
Public works	276,499	-	-	-	276,499
Capital Outlay	18,192	-	-	18,192	36,384
Total Expenditures	834,678	-	-	35,173	869,851
Excess (deficiency) of revenues over expenditures	392,928	14,883	103,023	6,932	517,766
OTHER FINANCING SOURCES (USES)					
Transfers in	-	50,000	32,300	50,000	132,300
Transfers out	(113,900)	-	(122,000)	-	(235,900)
Total other financing sources and uses	(113,900)	50,000	(89,700)	50,000	(103,600)
Net change in fund balances	279,028	64,883	13,323	56,932	414,166
Fund balances - beginning	1,192,000	358,994	403,352	348,954	2,303,300
Fund balances - ending	\$ 1,471,028	\$ 423,877	\$ 416,675	\$ 405,886	\$ 2,717,466

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

Town of Gilcrest
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2023

Net change in fund balances - total governmental funds:	\$	414,166
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p>		
<p>This is the amount by which capital outlay of \$36,384 was less than depreciation of \$48,424 in the current period.</p>		(12,040)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:</p>		
Change in Compensated Absences		2,246
Change in net position of governmental activities	\$	404,372

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

**Town of Gilcrest
Statement of Net Position
Proprietary Funds
December 31, 2023**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 415,294	\$ 418,935	\$ 127,144	\$ 961,373
Accounts receivable, net	17,464	28,927	2,515	48,906
Prepaid Expenses	5,175	5,046	119	10,340
Total current assets	<u>437,933</u>	<u>452,908</u>	<u>129,778</u>	<u>1,020,619</u>
Property, Plant and Equipment:				
Capital assets, not being depreciated	554,703	338,546	80,797	974,046
Capital assets, being depreciated	617,308	1,340,319	496,246	2,453,873
Total non-current assets	<u>1,172,011</u>	<u>1,678,865</u>	<u>577,043</u>	<u>3,427,919</u>
Total assets	<u>1,609,944</u>	<u>2,131,773</u>	<u>706,821</u>	<u>4,448,538</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	1,182	6,006	107	7,295
Accrued interest payable	616	911	-	1,527
Unearned revenue	-	3,882	-	3,882
Compensated absences	662	550	97	1,309
Loans payable, current portion	5,434	46,318	-	51,752
Total current liabilities	<u>7,894</u>	<u>57,667</u>	<u>204</u>	<u>65,765</u>
Non-current liabilities:				
Compensated absences long term	5,956	4,954	881	11,791
Loans payable	31,527	437,809	-	469,336
Total non-current liabilities	<u>37,483</u>	<u>442,763</u>	<u>881</u>	<u>481,127</u>
Total liabilities	<u>45,377</u>	<u>500,430</u>	<u>1,085</u>	<u>546,892</u>
NET POSITION				
Net investment in capital assets	1,135,050	1,194,738	577,043	2,906,831
Unrestricted	429,517	436,605	128,693	994,815
Total net position	<u>\$ 1,564,567</u>	<u>\$ 1,631,343</u>	<u>\$ 705,736</u>	<u>\$ 3,901,646</u>

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

Town of Gilcrest
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2023

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
REVENUES				
Charges for services	\$ 206,737	\$ 278,493	\$ 21,523	\$ 506,753
Miscellaneous	6,923	-	-	6,923
Other operating revenues	1,573	-	-	1,573
Total operating revenues	<u>215,233</u>	<u>278,493</u>	<u>21,523</u>	<u>515,249</u>
OPERATING EXPENSES				
System operations	227,689	112,992	11,244	351,925
Administrative and general	81,554	81,028	-	162,582
Depreciation	30,843	104,603	13,998	149,444
Total Operating Expenses	<u>340,086</u>	<u>298,623</u>	<u>25,242</u>	<u>663,951</u>
Operating income (loss)	<u>(124,853)</u>	<u>(20,130)</u>	<u>(3,719)</u>	<u>(148,702)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest income	26,823	5,540	5,194	37,557
Capital contributions--tap fees	15,000	19,500	2,100	36,600
Capital grant	-	126,830	-	126,830
Interest expense	(2,021)	(5,568)	-	(7,589)
Total non-operating revenue (expenses)	<u>39,802</u>	<u>146,302</u>	<u>7,294</u>	<u>193,398</u>
Income (loss) before contributions and transfers	<u>(85,051)</u>	<u>126,172</u>	<u>3,575</u>	<u>44,696</u>
Transfers in	-	122,000	2,000	124,000
Transfers out	(10,200)	(5,100)	(5,100)	(20,400)
Change in net position	<u>(95,251)</u>	<u>243,072</u>	<u>475</u>	<u>148,296</u>
Total net position - beginning, as restated	<u>1,659,818</u>	<u>1,388,271</u>	<u>705,261</u>	<u>3,753,350</u>
Total net position - ending	<u>\$ 1,564,567</u>	<u>\$ 1,631,343</u>	<u>\$ 705,736</u>	<u>\$ 3,901,646</u>

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

**Town of Gilcrest
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023**

	<u>Water</u>	<u>Sewer</u>	<u>Stormwater</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from customers	\$ 203,033	\$ 279,307	\$ 21,643	\$ 503,983
Miscellaneous	6,923	-	-	6,923
Other operating revenues	1,573	-	-	1,573
Cash paid to suppliers	(214,848)	(115,526)	856	(329,518)
Cash paid for personnel costs	(94,487)	(85,205)	(12,087)	(191,779)
Net cash flows from Operating Activities	<u>(97,806)</u>	<u>78,576</u>	<u>10,412</u>	<u>(8,818)</u>
Cash flows from non-capital financing activities:				
Change in interfund balances	(35,252)	-	-	(35,252)
Transfers from other funds	-	122,000	2,000	124,000
Transfers to other funds	(10,200)	(5,100)	(5,100)	(20,400)
Net cash flows from non-capital financing activities	<u>(45,452)</u>	<u>116,900</u>	<u>(3,100)</u>	<u>68,348</u>
Cash flows from capital and related financing activities:				
Grants and contributions	15,000	19,500	2,100	36,600
Capital outlay	-	(143,275)	-	(143,275)
Principal payment on long term debt	(5,175)	(45,596)	-	(50,771)
Interest payment on long term debt	(2,107)	(5,744)	-	(7,851)
Net cash flows from capital and financing activities	<u>7,718</u>	<u>(175,115)</u>	<u>2,100</u>	<u>(165,297)</u>
Cash flows from investing activities:				
Interest income	26,823	5,540	5,194	37,557
Net cash flows from investing activities	<u>26,823</u>	<u>5,540</u>	<u>5,194</u>	<u>37,557</u>
Net increase (decrease) in cash and cash equivalents	(108,717)	25,901	14,606	(68,210)
Beginning of year	524,011	393,034	112,538	1,029,583
End of year	<u>\$ 415,294</u>	<u>\$ 418,935</u>	<u>\$ 127,144</u>	<u>\$ 961,373</u>

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

**Town of Gilcrest
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2023**

	<u>Water</u>	<u>Sewer</u>	<u>Stormwater</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (124,853)	\$ (20,130)	\$ (3,719)	\$ (148,702)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	30,843	104,603	13,998	149,444
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(3,704)	814	120	(2,770)
Prepaid expenses	548	316	49	913
Increase (decrease) in:				
Accounts payable	(122)	(6,563)	17	(6,668)
Compensated absences	(518)	(464)	(53)	(1,035)
Net cash flows from operating activities	<u>\$ (97,806)</u>	<u>\$ 78,576</u>	<u>\$ 10,412</u>	<u>\$ (8,818)</u>

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

Town of Gilcrest, Colorado
Notes to Basic Financial Statements
December 31, 2023

Note 1 **Summary of Significant Accounting Policies**

The Town of Gilcrest, Colorado (the “Town”) was founded in 1912 as a statutory town. The Town’s major operations include general government, public safety, public works, culture, parks and recreation, health and welfare, and water, sewer and stormwater utilities.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Town’s accounting policies are described below.

Reporting Entity

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit’s governing board, and either a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
2. Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

Based on the above criteria, there are no other organizations that would be considered component units of the Town.

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 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, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a 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 those 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.

The fund financial statements report detailed information about the Town. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated in the Supplementary Information section of this report and shown in a single column 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. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are accounted for using the current financial resources measurement focus, whereby only current assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances present increases and decreases in those components. These funds use the modified accrual basis of accounting, whereby 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 Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. Debt service expenditures, however, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

Property taxes, intergovernmental grants, and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual, and so, 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.

Because governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements, a reconciliation is presented that briefly explains the adjustments necessary to reconcile to ending net position and the change in net position.

In accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source. Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15.

Governmental funds are used to account for all or most of a government's general activities. The following is the Town's major governmental fund:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Street Capital Improvement - The Street Capital Improvement Fund accounts for revenues and expenses relating to capital improvement on the Town's streets.

Capital Improvement – The Capital Improvement Fund accounts for revenues and expenses relating to general capital improvement projects approved by the Town Council.

The other governmental funds (non-major funds) are special revenue funds and have been established to account for revenues derived from specific earmarked revenue sources which finance specific activities as required by law or administrative action. The Town's other governmental funds include the Conservation Trust, Municipal Court Surcharge, and the Town Hall Replacement funds.

Proprietary funds, which include enterprise funds, are accounted for on a flow of economic resources measurement focus using the accrual basis of accounting. Therefore, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Revenues and expenses are recorded in the accounting period in which they are earned or incurred, and they become measurable. Net position is segregated into amounts invested in capital assets, restricted for debt service, and unrestricted.

Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The Town's major enterprise funds include the Water, Sewer, and Stormwater funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other funds of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Cash and Cash Equivalents

To improve cash management, cash received by the Town is pooled and invested. Individual fund integrity is maintained through the Town's records. Interest in the pool is presented as equity in pooled cash and cash equivalents on the financial statements. The Town considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Overdrawn balances in pooled cash accounts are treated by the Town as interfund liabilities, payable to the fund deemed to have made the loan. Short term investments, consisting of funds invested in a local government investment pool (Note 2) are considered to be cash equivalents and are measured at net asset value, which approximates fair value.

Restricted Cash

The amount \$48,505 restricted in the Sewer Fund is in compliance with the 2015 revenue loan reserve requirements. The amount will be used to prevent default in the payment of the bonds.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide statement of net position and classified as due from other funds or due to other funds on the balance sheet.

Bond Premium and Debt Issuance Costs

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method as principal is paid. Debt issuance costs are recognized during the period of issuance.

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., streets and roads, bridges, water lines, storm-water drainage, and similar items) 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 \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Assets are depreciated using the straight-line method. Depreciation expense is reflected as an operating expense in the government-wide statement of activities.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Land	N/A	N/A
Water Rights	N/A	N/A
System Enhancement Fee	N/A	N/A
Land Improvements	40 Years	40 Years
Buildings and Improvements	10 – 40 Years	10 – 40 Years
Utility Systems	N/A	25 – 50 Years
Streets	20 Years	20 Years
Vehicles and Equipment	5 – 15 Years	15 Years

Compensated Absences

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, Accounting for Compensated Absences. Personal leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services rendered and it is probable that the Town will compensate the employees for the benefits earned. Upon termination of employment from the Town, employees are compensated for all accrued vacation and compensatory time at their current rate of pay. There is no payment for unused sick leave upon termination.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and the noncurrent portion of long-term liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within 60 days after year-end are considered to have been made with current available financial resources.

Fund Balance and Net Position

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which those funds can be spent. In accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation, or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees (the Board). The Board is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has the authority to assign amounts for specific purposes.

Unassigned - all other spendable amounts. The General Fund is the only fund that would report a positive amount in unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts

that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the Town considers restricted resources to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Revenue Recognition/Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December, payable in the following year in full by April 30, or in two equal installments due on the last day of February and June 15. The County Treasurer bills and collects property taxes for all taxing entities within the county. Property tax receipts collected by the county treasurer each month are remitted to the Town by the tenth day of the subsequent month. Property tax revenues are recognized in the government-wide financial statements in the year that the property taxes are used to fund the operations of the Town.

In the fund financial statements, property taxes are recognized in the year for which levied provided they become measurable and available.

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Use of Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 Cash and Cash Equivalents

Custodial Credit Risk – Deposits

Colorado state statutes govern the entity's deposits of cash. For deposits in excess of federally insured limits, Colorado Revised Statutes (CRS) require the depository institution to maintain collateral on deposit with an official custodian (as authorized by the State Banking Board). The Colorado Public Deposit Protection Act (PDPA) requires state regulators to certify eligible depositories for public deposit. PDPA requires the eligible depositories with public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) to create a single institutional collateral pool of obligations of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property

located in the State. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the assets in the pool must be at least 102% of the uninsured deposits. At December 31, 2023, the Town had deposits with financial institutions with a carrying amount of \$343,159. The bank balances with the financial institutions were \$343,159 of which \$261,747 was covered by federal depository insurance. The remaining balance of \$81,415 was collateralized with securities held by the financial institutions' agents but not in the Town's name.

At December 31, 2023, the Town had cash and cash equivalent balances, including restricted cash, as follows:

Cash on hand	\$ 550
Cash deposits	303,323
Cash with County Treasurer	1,466
Local government investment pool	3,268,099
Total cash and cash equivalents	<u>\$ 3,573,438</u>

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which the Town may invest, which include:

- Certificates of deposit with an original maturity in excess of three months;
- Certain obligations of the United States and U.S. government agency securities;
- Certain international agency securities;
- General obligation and revenue bonds of U.S. local government entities;
- Banker's 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's policy is to utilize Local Government Investment Pools for all its investment activity.

Custodial Credit Risk – Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a specific policy for custodial credit risk. As of December 31, 2023, the Town had no investments exposed to custodial credit risk outside of its investment in the Colorado Local Government Liquid Asset Trust, discussed below.

Interest Rate Risk

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value losses arising from increasing interest rates.

Local Government Investment Pools

At December 31, 2023, the Town had invested \$3,268,099 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by the Trust. The Trust is rated AAAM by Standard and Poor’s and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents in the Sewer Fund are \$48,505 as established by the 2015 revenue bonds to be used to prevent default in the payment of the sewer revenue bonds and interest thereon.

Note 3 Receivables

Receivables at December 31, 2023, consisted of the following:

	General Fund	Water Fund	Sewer Fund	Stormwater Fund	Non-Major Funds	Total
Taxes	\$ 314,108	\$ -	\$ -	\$ -	\$ -	\$ 314,108
Trade accounts	9,064	2,515	28,927	17,464	-	57,970
Other receivables	68,873	-	-	-	13,787	79,660
Intergovernmental	47,387	-	-	-	4,209	51,596
Total	\$ 436,432	\$ 2,515	\$ 28,927	\$ 17,464	\$ 17,996	\$ 503,334

Management has determined that all receivables are fully collectible and therefore no allowance is deemed necessary.

Note 4 Interfund Transfers

The Town made the following equity fund transfers between funds during 2023.

	Transfers to:					Total
	Street Improvement	Stormwater	Capital Improvement	Town Hall	Sewer	
Transfers from:						
General	\$ 50,000	\$ 2,000	\$ 11,900	\$ 50,000	\$ -	\$ 113,900
Water	-	-	10,200	-	-	10,200
Stormwater	-	-	5,100	-	-	5,100
Sewer	-	-	5,100	-	-	5,100
Capital Improvement	-	-	-	-	122,000	122,000
Total	\$ 50,000	\$ 2,000	\$ 32,300	\$ 50,000	\$ 122,000	\$ 256,300

Note 5 Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 37,514	\$ -	\$ -	\$ 37,514
Capital assets being depreciated:				
Land Improvements	307,894	36,384	-	344,278
Buildings and Improvements	135,201	-	-	135,201
Vehicles and Equipment	636,874	-	-	636,874
Streets	785,483	-	-	785,483
Total capital assets being depreciated:	1,865,452	36,384	-	1,901,836
Less accumulated depreciation for:				
Land Improvements	(118,998)	(8,530)	-	(127,528)
Buildings and Improvements	(95,727)	(3,514)	-	(99,241)
Vehicles and Equipment	(516,934)	(20,944)	-	(537,878)
Streets	(785,483)	(15,436)	-	(615,693)
Total accumulated depreciation	(1,331,916)	(48,424)	-	(1,380,340)
Total capital assets being depreciated, net	533,536	(12,040)	-	521,496
Governmental Activities Capital Assets, Net	\$ 571,050	\$ (12,040)	\$ -	\$ 559,010

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

Governmental Activities:	
General Government	\$ 8,757
Public Safety	10,235
Public Works	21,614
Culture, Recreation and Parks	7,818
	<u>\$ 48,424</u>

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 137,736	\$ -	\$ -	\$ 137,736
Water Rights	545,339	-	-	545,339
Construction in Progress	156,589	134,382	-	290,971
Total Capital assets not being depreciated	839,664	134,382	-	974,046
Capital assets being depreciated:				
Buildings and Improvements	33,619	-	(3)	33,616
Equipment	162,523	8,893	-	171,416
Utility Systems	5,055,433	-	-	5,055,433
Total capital assets being depreciated:	5,251,575	8,893	(3)	5,260,465
Less accumulated depreciation for:				
Buildings and Improvements	(33,619)	-	-	(33,619)
Equipment	(126,419)	(8,275)	-	(134,694)
Utility Systems	(2,497,111)	(141,168)	-	(2,638,279)
Total accumulated depreciation	(2,657,149)	(149,443)	-	(2,806,592)
Total capital assets being depreciated, net	2,594,426	(140,550)	-	2,453,873
Business-Type Activities Capital Assets, Net	\$ 3,434,090	\$ (6,168)	\$ (3)	\$ 3,427,919

Depreciation expense was charged to function or programs of the Town's business-type activities as follows:

Business-Type Activities:	
Water	\$ 30,843
Sewer	104,602
Stormwater	13,998
	<u>\$ 149,443</u>

Note 6 Long-Term Debt

Business-type Activities

2004 Energy Impact Assistance Loan (EIAF)

On September 1, 2004, the Town executed a \$90,000 promissory note with the State of Colorado, Department of Local Affairs to make improvements to the Town's sewer system. The note is due in annual installments of \$7,312, principal and interest, at 5.0% through September 1, 2024. The Town agreed to establish rates and charges for the services of the sewer system in an amount sufficient to manage, operate and maintain, in an efficient and economical manner, the sewer system.

2009 Energy Impact Assistance Loan (EIAF)

On June 16, 2009, the Town executed a \$90,000 promissory note with the State of Colorado, Department of Local Affairs to make improvements to the Town's water system. The note is

due in annual installments of \$7,282, principal and interest, at 5.0% through September 1, 2029. The Town agreed to establish rates and charges for the services of the water system in an amount sufficient to manage, operate and maintain, in an efficient and economical manner, the potable water system.

2015 Colorado Water Resources and Power Development Authority Loan (CWRPDA)

On June 30, 2015, the Town executed a loan agreement totaling \$1,090,000 with the Colorado Water Resources and Power Development Authority to make improvements and upgrades to the Town's wastewater treatment facility. The loan accrues interest at 1.00% and is payable in semi-annual principal and interest payments, beginning on November 1, 2016, with a maturity date of May 1, 2035. The loan is secured by the net revenues of the ownership and operation of the system, as defined within the Agreement. In 2018, the remaining loan principal was reduced by \$271,517 with unused project funds.

Changes in long-term debt for the year ended December 31, 2023 were as follows:

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2004 EIAF Loan	\$ 13,596	\$ -	\$ (6,632)	\$ 6,964	\$ 6,964
2009 EIAF Loan	42,136	-	(5,175)	36,961	5,434
2015 CWRPDA Loan	516,126	-	(38,963)	477,163	39,354
Accrued compensated absences	14,135	-	(1,035)	13,100	1,309
Total	\$ 585,993	\$ -	\$ (51,805)	\$ 534,188	\$ 53,061

The following table represents future debt service requirements on the business-type activity debt as December 31, 2023:

Year	Principal	Interest	Total
2024	\$ 51,752	\$ 6,869	\$ 58,621
2025	45,454	5,855	51,309
2026	46,138	5,172	51,310
2027	46,839	4,470	51,309
2028	47,561	3,749	51,310
2029-2033	217,957	9,463	227,420
2034-2035	65,387	655	66,042
Total	\$ 521,088	\$ 36,233	\$ 557,321

Governmental Activities

Changes in long-term debt for the year ended December 31, 2023 were as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Accrued compensated absences	\$ 16,842	\$ -	\$ 2,246	\$ 14,596	\$ 1,460

Note 7

Rate Maintenance

Sewer Fund

Pursuant to the 2015 CWRPDA loan, the Town must establish, maintain and enforce rates and charges for services rendered by the sewer system sufficient to create income and revenue each year, which pay maintenance and operation expenses of the system and cover the principal and interest payments of the loan as they become due.

The following calculation shows the Town was in compliance with the rate maintenance provision of this loan agreement.

Operating revenues	\$ 278,493	
Less operating expenses, excluding depreciation	<u>(194,020)</u>	
Net revenues as defined in the bond agreement		84,473
2023 principal due	38,964	
2023 interest due	<u>4,999</u>	
	43,963	
	x 110%	<u>48,359</u>
Amount by which the current year revenues exceeded the 2015 loan requirement		<u>\$ 36,114</u>

Note 8

Pledged Revenues

The Town has pledged future water customer revenues, net of specified operating expenses, to repay the \$90,000, 2009 Energy Impact Assistance Loan. The proceeds were used to make water system improvements and are payable through 2029. Annual principal and interest payments on this debt are expected to require less than 50% of net revenues as defined in the debt agreements. The total principal and interest remaining to be paid on this debt is \$43,692. Principal and interest paid for the current year and total customer revenues were \$2,021 and \$215,233, respectively.

The Town has pledged future sewer customer revenues, net of specified operating expenses, to repay \$90,000 in sewer system Energy Impact Assistance Loan issued in 2004. The proceeds were used to make sewer system improvements and are payable through 2024. Annual principal and interest payments on the loan are expected to require less than 75% of net revenues of the sewer fund. The total principal and interest remaining to be paid on the bonds is \$7,612. Principal and interest paid for the current year and total customer revenues were \$7,201 and \$278,493, respectively.

Note 9

Contingency

Risk Management

The Town is self-insured for property and liability insurance. In order to mitigate risk, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA

has a legal obligation for claims against their members to the extent that funds are available in their annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although they are not legally required to do so. Additionally, the Town may receive credit on future contributions in the event of a surplus.

CIRSA has entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. Excess of loss contracts in effect during 2023 limit CIRSA's per occurrence exposure to \$1,000,000 for property coverage, \$1,000,000 for excess property coverage and provide coverage to specified upper limits. The excess of loss contract for workers' compensation coverage limits CIRSA's per occurrence exposure to \$1,000,000 for 2023 and provides coverage to statutory limits for the State of Colorado.

The Town's 2023 contributions were \$16,263 and \$4,256 for the property and casualty pool and the workers' compensation pool, respectively.

The ultimate liability to the Town resulting from claims not covered by CIRSA is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the Town's financial statements.

Note 10 Taxes, Spending, and Debt Limitations

In November 1992, Colorado voters passed an amendment (the Amendment or TABOR) to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and fiscal year spending include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the spending limit must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary of fringe benefit increase. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has restricted \$26,000 for this purpose. The amount is shown in the General Fund.

On November 7, 1995, the voting citizens of the Town of Gilcrest authorized the Town (retroactive to January 1, 1994) to retain all of the revenues from all sources generated during 1994 and subsequent years and spend the same as a voter-approved revenue change as an exception to limits which would otherwise apply for each of said years. This effectively removed all revenue and spending limits imposed by TABOR.

Note 11

Restatement of Prior Year Fund Balances and Net Position

General Fund

Effective January 1, 2023, the town split the small governmental funds out of the general fund. The December 31, 2022, fund balance for the general fund was restated to \$1,192,000. The small governmental funds have beginning fund balances as follows:

Street Capital Improvement	\$ 358,994
Capital Improvement	403,352
Town Hall Replacement	247,292
Municipal Court Surcharge	49,362

Water Fund

During 2023, the Town determined that the Water Fund had an asset of \$137,500 that should have been expensed in a prior year. The December 31, 2022, Net Position of the Water Fund was restated from \$1,797,319 to \$1,659,818. In addition, the Net Position of the Business-type Activities of the Enterprise funds was restated from \$3,890,850 to \$3,753,350.

Required Supplementary Information

**Town of Gilcrest
Budget and Actual
General Fund
For the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 297,744	\$ 297,744	\$ 296,802	\$ (942)
SO taxes	20,000	20,000	42,674	22,674
Sales and miscellaneous taxes	199,200	199,200	302,486	103,286
Fees and fines	45,000	45,000	48,504	3,504
Licenses and permits	21,618	21,618	29,418	7,800
Intergovernmental	296,686	296,686	271,912	(24,774)
Charges for services	7,400	7,400	97,137	89,737
Investment earnings	27,103	27,103	106,649	79,546
Miscellaneous	48,720	48,720	32,023	(16,697)
Total revenues	<u>963,471</u>	<u>963,471</u>	<u>1,227,605</u>	<u>264,134</u>
EXPENDITURES				
General government	220,231	220,231	209,603	10,628
Public safety	196,752	196,752	195,403	1,349
Health and welfare	53,170	53,170	41,332	11,838
Culture and rec	100,244	100,244	93,649	6,595
Public works	274,822	274,822	276,499	(1,677)
Capital outlay	88,500	88,500	18,192	70,308
Total Expenditures	<u>933,719</u>	<u>933,719</u>	<u>834,678</u>	<u>99,041</u>
Excess (deficiency) of revenues over expenditures	<u>29,752</u>	<u>29,752</u>	<u>392,927</u>	<u>363,175</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(113,900)	(113,900)	(113,900)	-
Total other financing sources and uses	<u>(113,900)</u>	<u>(113,900)</u>	<u>(113,900)</u>	<u>-</u>
Net change in fund balances	(84,148)	(84,148)	279,027	363,175
Fund balances - beginning	1,084,105	1,084,105	1,192,000	(107,895)
Fund balances - ending	<u>\$ 999,957</u>	<u>\$ 999,957</u>	<u>\$ 1,471,027</u>	<u>\$ 316,722</u>

Town of Gilcrest, Colorado
Notes to Required Supplementary Information
December 31, 2023

Note 1 Budgets and Budgetary Accounting

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

- By October 15, the Town Administrator submits to the Town Board of Trustees, a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Any budget revisions that alter the total expenditures of any fund must be approved by the Board of Directors through passage of a formal resolution.
- The Town legally adopts budgets for all of the funds. Budgets for the general and special revenue funds are adopted on a basis consistent with GAAP. Budgetary comparisons for the enterprise funds are presented on a non-GAAP budgetary basis, where payments for capital assets and principal amounts of debt are treated as expenditures.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Board of Trustees. All appropriations lapse at year end.

The following table summarizes the individual fund budgeted expenditures for 2023, as originally adopted, and as revised:

	Original Budget	Total Revisions	Revised Budget
Governmental Funds:			
General Fund	\$ 1,047,619	\$ -	\$ 1,047,619
Conservation Trust Fund	28,356	-	28,356
Street Capital Improvement Fund	81,000	-	81,000
Capital Improvement Fund	140,000	-	140,000
Town Hall Replacement Fund	-	-	-
Municipal Court Surcharge Fund	5,600	-	5,600
Business-Type Activities:			
Water Fund	322,229	-	322,229
Sewer Fund	2,582,511	-	2,582,511
Stormwater Fund	40,604	-	40,604
Total Funds	\$ 4,247,919	\$ -	\$ 4,247,919

Other Supplementary Information

**Town of Gilcrest
Combining Balance Sheets
Non-major Governmental Funds
December 31, 2023**

	Conservation Trust	Municipal Court Surcharge	Town Hall Replacement Fund	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 34,168	\$ 63,606	\$ 303,934	\$ 401,708
Receivable from other governments	4,209	-	-	4,209
Prepaid expenses	171	-	-	171
Total assets	38,548	63,606	303,934	406,088
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	147	55	-	202
Total liabilities	147	55	-	202
Fund balances:				
Nonspendable				171
Prepaid expenses	171	-	-	101,781
Restricted	38,230	63,551		303,934
Committed			303,934	
Total fund balances	38,401	63,551	303,934	405,886
Total liabilities and fund balances	\$ 38,548	\$ 63,606	\$ 303,934	\$ 406,088

Town of Gilcrest
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2023

	Conservation Trust	Municipal Court Surcharge	Town Hall Replacement Fund	Total Other Governmental Funds
REVENUES				
Intergovernmental	\$ 14,455	-	-	\$ 14,455
Charges for services	-	15,588	-	15,588
Investment earnings	4,829	591	6,642	12,062
Total revenues	<u>19,284</u>	<u>16,179</u>	<u>6,642</u>	<u>42,105</u>
EXPENDITURES				
Public Safety	-	1,992	-	1,992
Culture and recreation	14,989	-	-	14,989
Capital Outlay	18,192	-	-	18,192
Total Expenditures	<u>33,181</u>	<u>1,992</u>	<u>-</u>	<u>35,173</u>
Excess (deficiency) of revenues over expenditures	<u>(13,897)</u>	<u>14,187</u>	<u>6,642</u>	<u>6,932</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	50,000	50,000
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Net change in fund balances	(13,897)	14,187	56,642	56,932
Fund balances - beginning	52,298	49,364	247,292	348,954
Fund balances - ending	<u>\$ 38,401</u>	<u>\$ 63,551</u>	<u>\$ 303,934</u>	<u>\$ 405,886</u>

**Town of Gilcrest
Budget and Actual
Conservation Trust
For the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 11,000	\$ 11,000	\$ 14,455	\$ 3,455
Investment earnings	1,151	1,151	4,829	3,678
Total revenues	<u>12,151</u>	<u>12,151</u>	<u>19,284</u>	<u>7,133</u>
EXPENDITURES				
Current:				
Culture and recreation	14,357	14,357	14,989	(632)
Capital Outlay	14,000	14,000	18,192	(4,192)
Total Expenditures	<u>28,357</u>	<u>28,357</u>	<u>33,181</u>	<u>(4,824)</u>
Excess (deficiency) of revenues over expenditures	<u>(16,206)</u>	<u>(16,206)</u>	<u>(13,897)</u>	<u>2,309</u>
Net change in fund balances	(16,206)	(16,206)	(13,897)	2,309
Fund balances - beginning	46,049	46,049	52,298	6,249
Fund balances - ending	<u>\$ 29,843</u>	<u>\$ 29,843</u>	<u>\$ 38,401</u>	<u>\$ 8,558</u>

**Town of Gilcrest
Budget and Actual
Municipal Court Surcharge
For the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 15,000	\$ 15,000	\$ 15,588	\$ 588
Investment earnings	1,213	1,213	591	(622)
Total revenues	<u>16,213</u>	<u>16,213</u>	<u>16,179</u>	<u>(34)</u>
EXPENDITURES				
Current:				
Public Safety	<u>5,600</u>	<u>5,600</u>	<u>1,992</u>	<u>3,608</u>
Total Expenditures	<u>5,600</u>	<u>5,600</u>	<u>1,992</u>	<u>3,608</u>
Excess (deficiency) of revenues over expenditures	<u>10,613</u>	<u>10,613</u>	<u>14,187</u>	<u>(3,642)</u>
Net change in fund balances	10,613	10,613	14,187	3,574
Fund balances - beginning	<u>48,524</u>	<u>48,524</u>	<u>49,364</u>	<u>840</u>
Fund balances - ending	<u>\$ 59,137</u>	<u>\$ 59,137</u>	<u>\$ 63,551</u>	<u>\$ 4,414</u>

**Town of Gilcrest
Budget and Actual
Street Capital Improvement
For the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 2,880	2,880
Investment earnings	9,219	9,219	12,003	12,003
Total revenues	<u>9,219</u>	<u>9,219</u>	<u>14,883</u>	<u>14,883</u>
EXPENDITURES				
Current:				
Street improvements	81,000	81,000	-	-
Total Expenditures	<u>81,000</u>	<u>81,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(71,781)</u>	<u>(71,781)</u>	<u>14,883</u>	<u>14,883</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	50,000	50,000
Total other financing sources and uses	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Net change in fund balances	(21,781)	(21,781)	64,883	64,883
Fund balances - beginning	368,754	368,754	358,994	-
Fund balances - ending	<u>\$ 346,973</u>	<u>\$ 346,973</u>	<u>\$ 423,877</u>	<u>\$ 1,471,028</u>

**Town of Gilcrest
Budget and Actual
Capital Improvement Fund
For the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales and use taxes	66,400	66,400	92,741	26,341
Investment earnings	10,473	10,473	10,282	(191)
Total revenues	<u>76,873</u>	<u>76,873</u>	<u>103,023</u>	<u>26,150</u>
EXPENDITURES				
Current:				
Highways and roads	4,000	4,000	-	4,000
Capital Outlay	14,000	14,000	-	14,000
Total Expenditures	<u>18,000</u>	<u>18,000</u>	<u>-</u>	<u>18,000</u>
Excess (deficiency) of revenues over expenditures	<u>58,873</u>	<u>58,873</u>	<u>103,023</u>	<u>44,150</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	36,300	36,300	32,300	4,000
Transfers out	(122,000)	(122,000)	(122,000)	-
Total other financing sources and uses	<u>(85,700)</u>	<u>(85,700)</u>	<u>(89,700)</u>	<u>4,000</u>
Net change in fund balances	(26,827)	(26,827)	13,323	(40,150)
Fund balances - beginning	418,914	418,914	-	418,914
Fund balances - ending	<u>\$ 392,087</u>	<u>\$ 392,087</u>	<u>\$ 13,323</u>	<u>\$ 378,764</u>

**Town of Gilcrest
Budget and Actual
Town Hall Replacement Fund
For the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variances with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	5,478	5,478	6,642	1,164
Total revenues	<u>5,478</u>	<u>5,478</u>	<u>6,642</u>	<u>1,164</u>
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>5,478</u>	<u>5,478</u>	<u>6,642</u>	<u>1,164</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	50,000	50,000	50,000	-
Total other financing sources and uses	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balances	55,478	55,478	56,642	1,164
Fund balances - beginning	219,120	219,120	247,292	28,172
Fund balances - ending	<u>\$ 274,598</u>	<u>\$ 274,598</u>	<u>\$ 303,934</u>	<u>\$ 29,336</u>

**Town of Gilcrest
Budget and Actual
Water Fund
For the year ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts, Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 224,000	\$ 224,000	\$ 221,737	\$ (2,263)
Investment earnings	13,643	13,643	26,823	13,180
Other operating revenues	-	-	1,573	1,573
Miscellaneous	1,000	1,000	6,923	5,923
Total revenues	<u>238,643</u>	<u>238,643</u>	<u>257,056</u>	<u>18,413</u>
EXPENDITURES				
Current:				
System Operations	240,945	240,945	227,689	13,256
Administrative and general	68,977	68,977	81,554	(12,577)
Interest and other charges	2,107	2,107	2,021	86
Total Expenditures	<u>312,029</u>	<u>312,029</u>	<u>311,264</u>	<u>765</u>
Excess (deficiency) of revenues over expenditures	<u>(73,386)</u>	<u>(73,386)</u>	<u>(54,208)</u>	<u>19,178</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(10,200)</u>	<u>(10,200)</u>	<u>(10,200)</u>	<u>-</u>
Total other financing sources and uses	<u>(10,200)</u>	<u>(10,200)</u>	<u>(10,200)</u>	<u>-</u>
Net change in fund balances	(83,586)	(83,586)	(64,408)	
Fund balances - beginning	545,712	545,712	1,659,818	(1,114,106)
Adjustment to GAAP capital outlay	-	-	(30,843)	
Fund balances - ending	<u>\$ 462,126</u>	<u>\$ 462,126</u>	<u>\$ 1,564,567</u>	<u>\$ (1,114,106)</u>

**Town of Gilcrest
Budget and Actual
Sewer Fund
For the year ended December 31, 2023**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 277,825	\$ 277,825	\$ 297,993	\$ 20,168
Investment earnings	10,044	10,044	5,540	(4,504)
Miscellaneous	-	-	126,830	126,830
Total revenues	<u>287,869</u>	<u>287,869</u>	<u>430,363</u>	<u>142,494</u>
EXPENDITURES				
Current:				
System operations	178,423	178,423	112,991	65,432
Administration and general	69,284	69,284	81,028	(11,744)
Interest and other charges	5,744	5,744	5,568	176
Capital Outlay	<u>2,323,960</u>	<u>2,323,960</u>	<u>143,275</u>	
Total Expenditures	<u>2,577,411</u>	<u>2,577,411</u>	<u>342,862</u>	<u>53,864</u>
Excess (deficiency) of revenues over expenditures	<u>(2,289,542)</u>	<u>(2,289,542)</u>	<u>87,501</u>	<u>196,358</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from financing	861,980	861,980	-	861,980
Grants	1,461,980	1,461,980	-	1,461,980
Transfers in	122,000	122,000	122,000	-
Transfers out	<u>(5,100)</u>	<u>(5,100)</u>	<u>(5,100)</u>	<u>-</u>
Total other financing sources and uses	<u>2,440,860</u>	<u>2,440,860</u>	<u>116,900</u>	<u>2,323,960</u>
Net change in fund balances	151,318	151,318	204,401	53,083
Fund balances - beginning	401,765	401,765	1,388,271	986,506
Reconciling to GAAP--capital outlay	-	-	143,275	143,275
Reconciling to GAAP--depreciation	-	-	<u>(104,603)</u>	<u>(104,603)</u>
Fund balances - ending	<u>\$ 553,083</u>	<u>\$ 553,083</u>	<u>\$ 1,631,344</u>	<u>\$ 934,986</u>

**Town of Gilcrest
Budget and Actual
Stormwater Fund
For the year ended December 31, 2023**

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 21,400	\$ 21,400	\$ 23,627	\$ 2,227
Investment earnings	3,130	3,130	5,194	2,064
Miscellaneous income	-	-	(4)	(4)
Total revenues	<u>24,530</u>	<u>24,530</u>	<u>28,817</u>	<u>4,287</u>
EXPENDITURES				
Current:				
System operations	<u>35,504</u>	<u>35,504</u>	<u>11,244</u>	<u>24,260</u>
Total Expenditures	<u>35,504</u>	<u>35,504</u>	<u>11,244</u>	<u>24,260</u>
Excess (deficiency) of revenues over expenditures	<u>(10,974)</u>	<u>(10,974)</u>	<u>17,573</u>	<u>28,547</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000	2,000	2,000	-
Transfers out	<u>(5,100)</u>	<u>(5,100)</u>	<u>(5,100)</u>	<u>-</u>
Total other financing sources and uses	<u>(3,100)</u>	<u>(3,100)</u>	<u>(3,100)</u>	<u>-</u>
Net change in fund balances	(14,074)	(14,074)	14,473	28,547
Fund balances - beginning	125,183	125,183	705,261	580,078
Adjustment to GAAP depreciation	-	-	(13,998)	(13,998)
Fund balances - ending	<u>\$ 111,109</u>	<u>\$ 111,109</u>	<u>\$ 705,736</u>	<u>\$ 594,627</u>

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

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Gilcrest
		YEAR ENDING : December 31, 2023
This Information From The Records Of Town of Gilcrest	Prepared By: Phone:	Lorraine Trotter, Prof'l Mgmt Solutions 303-910-9197

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	60,241
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	28,072
2. General fund appropriations	62,097	b. Snow and ice removal	0
3. Other local imposts (from page 2)	12,158	c. Other	0
4. Miscellaneous local receipts (from page 2)	18,631	d. Total (a. through c.)	25,060
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues		6. Total (1 through 5)	85,301
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest & Costs of Issuance	
7. Total (1 through 6)	92,886	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	55,700	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	148,586	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	85,301

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	360,592	148,586	85,301	423,877	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 31, 2023

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	0	a. Interest on investments	12,003
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	0	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	12,158	g. Other Misc. Receipts Co. Rd & Bridge	3,748
6. Total (1. through 5.)	12,158	h. Other Development Fees	2,880
c. Total (a. + b.)	12,158	i. Total (a. through h.)	18,631
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	49,092	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	6,608	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	6,608	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	55,700	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: