

Town of Morrison, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2023



Town of Morrison, Colorado

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**HINKLE &
COMPANY** PC
*Strategic
Business Advisors*

Independent Auditor's Report

Honorable Mayor and Members of the Board of Trustees
Town of Morrison
Morrison, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of Town of Morrison, Colorado (the Town), as of and for the year ended December 31, 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, and each major fund 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

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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



Required Supplementary Information

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

Supplementary Information

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

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

Hick & Company, PC

Englewood, Colorado
June 27, 2024





TOWN OF MORRISON

Management's Discussion and Analysis

As Management of the Town of Morrison, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2023.

Financial Highlights

- The Town's assets as of December 31, 2023 exceeded its liabilities and deferred inflows of resources by \$23,826,710 (net position).
- The Town's net position is comprised of the following:
 - (1) Net investment in capital assets, \$12,207,862 includes property and equipment net of accumulated depreciation, and reduced for outstanding debt related to the purchase of the capital assets.
 - (2) Restricted net position, \$389,473 includes resources constrained by obligations imposed by the State of Colorado laws and regulations (TABOR), and other restricted revenues for parks and open space.
 - (3) Unrestricted net position, \$11,229,375 represents amounts available to maintain the Town's continuing obligations to residents, businesses, and creditors.
- The Town's net position increased by \$2,187,304 (10.1%) during the year.
- The Town's governmental fund, the General Fund, had a fund balance of \$7,156,942 at December 31, 2023. This compares to the prior year ending fund balance of \$5,470,724, an increase of \$1,686,218 (30.8%) during the year.
- At the end of 2023, the unrestricted fund balance of the General Fund was \$6,757,289 or 2.17 times total General Fund expenditures during the year.
- The Town continues to maintain a strong financial position.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

The Town's financial statements include two government-wide statements, which are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. The first government-wide statement is the Statement of Net Position. This statement presents information that includes

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Supplementary Information

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

Government-wide Financial Analysis

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

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 7,419,428	\$ 5,721,982	\$ 4,645,895	\$ 3,903,679	\$ 12,065,323	\$ 9,625,661
Capital assets, net	4,017,430	4,032,347	8,255,394	8,519,614	12,272,824	12,551,961
Total assets	\$ 11,436,858	\$ 9,754,329	\$ 12,901,289	\$ 12,423,293	\$ 24,338,147	\$ 22,177,622
Current liabilities	\$ 112,659	\$ 112,075	\$ 89,718	\$ 76,988	\$ 202,377	\$ 189,063
Noncurrent Liabilities	122,405	176,446	36,479	32,840	158,884	209,286
Total liabilities	\$ 235,064	\$ 288,521	\$ 126,197	\$ 109,828	\$ 361,261	\$ 398,349
Deferred inflows of resources	\$ 150,176	\$ 139,867	\$ -	\$ -	\$ 150,176	\$ 139,867
Net position:						
Net investment in capital assets	\$ 3,952,468	\$ 3,905,101	\$ 8,255,394	\$ 8,519,614	\$ 12,207,862	\$ 12,424,715
Restricted	389,473	368,587	-	75,000	389,473	443,587
Unrestricted	6,709,677	5,052,253	4,519,698	3,718,851	11,229,375	8,771,104
Total net position	\$ 11,051,618	\$ 9,325,941	\$ 12,775,092	\$ 12,313,465	\$ 23,826,710	\$ 21,639,406

The Town continues to maintain a high "current ratio" of approximately 60:1. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The Town's ratios are strong. The Town reported positive balances in net position for both governmental and business-type activities. During 2023, net position increased \$1,725,677 (18.5%) for governmental activities and increased \$461,627 (3.7%) for business-type activities. The Town's overall net position increased from 2022 by \$2,187,304 (10.1%).

Note that approximately 35.8% of the governmental activities' net position is "tied up" in capital assets. The Town uses these capital assets to provide services to its residents and businesses. In the business-type activities, the Town has approximately 64.6% of its net position invested in capital assets. Capital assets in the business-type activities enable the provision of utility services that generate revenues for this fund. Approximately 51.2% of the Town's total net position was invested in capital assets at December 31, 2023.

The following table provides a summary of the Town's changes in net position during 2023:

Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues:						
Charges for services	\$ 1,357,365	\$ 987,827	\$ 1,023,852	\$ 1,414,023	\$ 2,381,217	\$ 2,401,850
Operating grants & contributions	154,921	107,858	361,981	162,125	516,902	269,983
Capital grants & contributions	21,688	-	525,530	422,000	547,218	422,000
General revenues:						
Property & specific ownership taxes	94,650	90,783	-	-	94,650	90,783
Sales & use taxes	2,455,711	1,792,301	-	489,254	2,455,711	2,281,555
Other taxes	48,353	46,153	-	-	48,353	46,153
Investment income	436,869	100,220	1,162	2,080	438,031	102,300
Gain (loss) on sale of capital assets	25,000	16,184	-	-	25,000	16,184
Other general revenues	198,544	26,040	17,281	-	215,825	26,040
Total revenues	\$ 4,793,101	\$ 3,167,366	\$ 1,929,806	\$ 2,489,482	\$ 6,722,907	\$ 5,656,848
Program expenses:						
General government	\$ 665,326	\$ 532,352	\$ -	\$ -	\$ 665,326	\$ 532,352
Community development	182,571	153,079	-	-	182,571	153,079
Public safety	1,499,845	1,183,643	-	-	1,499,845	1,183,643
Public works	329,884	357,403	-	-	329,884	357,403
Culture and recreation	389,798	353,547	-	-	389,798	353,547
Water and sewer utility	-	-	1,468,179	1,275,447	1,468,179	1,275,447
Total expenses	\$ 3,067,424	\$ 2,580,024	\$ 1,468,179	\$ 1,275,447	\$ 4,535,603	\$ 3,855,471
Increase/(decrease)in net position	\$ 1,725,677	\$ 587,342	\$ 461,627	\$ 1,214,035	\$ 2,187,304	\$ 1,801,377
Net Position, Beginning	9,325,941	8,738,599	12,313,465	11,099,430	21,639,406	19,838,029
Net Position, Ending	\$ 11,051,618	\$ 9,325,941	\$ 12,775,092	\$ 12,313,465	\$ 23,826,710	\$ 21,639,406

Governmental Activities

The Town relies substantially on sales and use taxes to support governmental operations and capital assets. Taxes provided 54.2% of the Town's total governmental revenues in 2023. Revenues from fines and forfeitures and service charges make up the majority of program revenues. The Town also receives grants and miscellaneous fees as revenues. Note that because program revenues do not cover governmental operating expenses, the general economy and vitality of the Town's businesses have a major impact on the Town's revenue streams through the taxes they generate.

Business-type Activities

Business-type activities increased the Town's net position by \$461,627 during 2023. It is noteworthy that the Town discontinued devoting sales taxes to the business-type activities in 2023, as charges for services and grants were sufficient to cover all expenses and still increase net position.

Financial Analysis of the Town's Funds

Governmental Fund: *General Fund*

As discussed above, governmental funds are reported in the fund statements with a short-term, inflow/outflow focus on spendable resources. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The Town's governmental fund, the General Fund, is the chief operating fund of the Town. It accounts for all the general services provided by the Town. The General Fund reported an ending fund balance of \$7,156,942 at the end of 2023, as compared to \$5,470,724 at the end of 2022. Of the 2023 year-end fund balance, \$6,757,289 is unrestricted, indicating availability for continuing the Town's service requirements. Legally restricted fund balances are reported for shared Open Space sales taxes received from Jefferson County, shared Colorado Lottery proceeds received from the State, and amounts restricted for emergencies by the Colorado Taxpayers Bill of Rights (TABOR).

General fund revenues increased by approximately 51.3% (\$1,616,919) from the prior year primarily due to increases in tax revenues and investment income. Expenditures increased by approximately 15.7% (\$420,449). In both years, revenues exceeded expenditures. The combined change in general fund balances over the past two years was an increase of \$2,362,966.

Proprietary Fund: *Utility Fund*

The Town's proprietary fund is the Utility Fund that provides water and sewer services. It has separate water and wastewater treatment plants, infrastructure, and customers that are billed monthly for water and sewer services. Overall net position increased by \$461,627 (3.7%) to \$12,775,092 in 2023. This increase was primarily due to the utility tap and resource fees received. The water and sewer enterprise had a net operating loss of -\$65,065 in 2023 as opposed to a net operating gain of \$300,701 in 2022. The one-year change was primarily due to fluctuations in developer reimbursements for capital projects from year to year.

The Town is a party to an Intergovernmental Agreement with Mount Carbon Metropolitan District to provide water and sewer services to Red Rocks Ranch. Revenues from Mount Carbon Metropolitan District will ultimately offset the majority of the costs of improvements to the water and sewer systems.

Capital Assets and Debt Administration

Capital Assets

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

The following table provides a summary of capital assets at December 31, 2023 and the prior year:

	Governmental Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Capital assets not being depreciated						
Land	\$ 415,013	\$ 415,013	\$ 45,535	\$ 45,535	\$ 460,548	\$ 460,548
Water Rights	-	-	85,243	85,243	85,243	85,243
Construction in Progress	141,969	45,058	-	664,433	141,969	709,491
Total capital assets not being depreciated	\$ 556,982	\$ 460,071	\$ 130,778	\$ 795,211	\$ 687,760	\$ 1,255,282
Capital assets being depreciated						
Parks	\$ 3,491,461	\$ 3,491,461	\$ -	\$ -	\$ 3,491,461	\$ 3,491,461
Buildings	1,412,693	1,412,693	-	-	1,412,693	1,412,693
Water Treatment Plant	-	-	8,711,336	8,046,903	8,711,336	8,046,903
Sewer Treatment Plant	-	-	5,213,331	5,213,331	5,213,331	5,213,331
Vehicles and Equipment	1,250,664	1,166,382	526,916	471,591	1,777,580	1,637,973
Infrastructure	1,728,612	1,702,664	-	-	1,728,612	1,702,664
Total capital assets being depreciated	\$ 7,883,430	\$ 7,773,200	\$ 14,451,583	\$ 13,731,825	\$ 22,335,013	\$ 21,505,025
Less Accumulated Depreciation	\$ (4,422,982)	\$ (4,200,924)	\$ (6,326,967)	\$ (6,007,422)	\$ (10,749,949)	\$ (10,208,346)
Net capital assets	\$ 4,017,430	\$ 4,032,347	\$ 8,255,394	\$ 8,519,614	\$ 12,272,824	\$ 12,551,961

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

Long-term Debt

During 2022, the Town entered into a 3-year lease-purchase agreement for \$195,000 to acquire three police vehicles. At December 31, 2023, the Town owed \$64,962 principal on the agreement. Annual payments of principal and interest are \$67,755 with an interest rate of 4.3%. The Town also had accrued compensated absences (untaken leave benefits) estimated to total \$93,922 at December 31, 2023. Additional information on the Town's Long-term Debt can be found in Note 4 to the Financial Statements.

Economic Factors & Next Year's Budget

The 2024 Budget conservatively estimated revenues from the Town's taxes, fees, licenses, permits, and other general revenues. Expenses are expected to increase due to inflation and operations. Federal spending, unemployment insurance policies, restrictions on domestic energy production, and considerable expansion of the monetary supply is causing significant inflation throughout all sectors of the economy. The full economic impact of these state- and federal-imposed policies and restrictions on the Town's 2024 and future budgets has yet to be determined. Management carefully monitors actual revenues and expenditures throughout the year, and makes adjustments to budgets and spending if necessary.

Requests for Information

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

Basic Financial Statements

Town of Morrison, Colorado

Statement of Net Position

December 31, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	\$ 6,839,464	\$ 3,665,452	\$ 10,504,916
Accounts Receivable	472,894	964,822	1,437,716
Property Taxes Receivable	96,890	-	96,890
Inventory	-	10,320	10,320
Prepaid Expenses	10,180	5,301	15,481
Capital Assets, Not Being Depreciated	556,982	130,778	687,760
Capital Assets, Net of Accumulated Depreciation	<u>3,460,448</u>	<u>8,124,616</u>	<u>11,585,064</u>
 Total Assets	 <u>11,436,858</u>	 <u>12,901,289</u>	 <u>24,338,147</u>
Liabilities			
<i>Current Liabilities</i>			
Accounts Payable	82,926	89,443	172,369
Accrued Interest	349	-	349
Deposits on Developments	<u>29,384</u>	<u>275</u>	<u>29,659</u>
Total Current Liabilities	<u>112,659</u>	<u>89,718</u>	<u>202,377</u>
<i>Non-Current Liabilities</i>			
Due Within One Year	70,706	3,648	74,354
Due In More Than One Year	<u>51,699</u>	<u>32,831</u>	<u>84,530</u>
Total Non-Current Liabilities	<u>122,405</u>	<u>36,479</u>	<u>158,884</u>
 Total Liabilities	 <u>235,064</u>	 <u>126,197</u>	 <u>361,261</u>
Deferred Inflows of Resources			
Property Taxes	96,890	-	96,890
Other Deferred Revenue	<u>53,286</u>	<u>-</u>	<u>53,286</u>
Total Deferred Inflows of Resources	<u>150,176</u>	<u>-</u>	<u>150,176</u>
Net Position			
Net Investment in Capital Assets	3,952,468	8,255,394	12,207,862
Restricted for:			
Emergencies	94,500	-	94,500
Parks and Open Space	294,973	-	294,973
Unrestricted	<u>6,709,677</u>	<u>4,519,698</u>	<u>11,229,375</u>
 Total Net Position	 <u>\$ 11,051,618</u>	 <u>\$ 12,775,092</u>	 <u>\$ 23,826,710</u>

Town of Morrison, Colorado
Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position		Total
		Charges for Services	Operating Grants and Contributions		Governmental Activities	Business-Type Activities	
Primary Government							
Governmental Activities							
General Government	\$ 665,326	\$ 12,385	\$ -	\$ -	\$ (652,941)	\$ -	\$ (652,941)
Community Development	182,571	128,666	44,271	21,688	12,054	-	12,054
Public Safety	1,499,845	950,875	1,061	-	(547,909)	-	(547,909)
Public Works	329,884	-	29,046	-	(300,838)	-	(300,838)
Culture and Recreation	389,798	265,439	80,543	-	(43,816)	-	(43,816)
Total Governmental Activities	<u>3,067,424</u>	<u>1,357,365</u>	<u>154,921</u>	<u>21,688</u>	<u>(1,533,450)</u>	<u>-</u>	<u>(1,533,450)</u>
Business-Type Activities							
Water and Sewer	<u>1,468,179</u>	<u>1,023,852</u>	<u>361,981</u>	<u>525,530</u>	<u>-</u>	<u>443,184</u>	<u>443,184</u>
Total Business-Type Activities	<u>1,468,179</u>	<u>1,023,852</u>	<u>361,981</u>	<u>525,530</u>	<u>-</u>	<u>443,184</u>	<u>443,184</u>
Total Primary Government	<u>\$ 4,535,603</u>	<u>\$ 2,381,217</u>	<u>\$ 516,902</u>	<u>\$ 547,218</u>	<u>(1,533,450)</u>	<u>443,184</u>	<u>(1,090,266)</u>
General Revenues							
Property Taxes					88,347	-	88,347
Specific Ownership Taxes					6,303	-	6,303
Sales and Use Taxes					2,455,711	-	2,455,711
Franchise Taxes					48,353	-	48,353
Intergovernmental Revenues Not Restricted to Specific Programs					8,344	-	8,344
Investment Income					436,869	1,162	438,031
Lease Income					37,500	-	37,500
Miscellaneous Income					152,700	17,281	169,981
Gain on disposal of assets					25,000	-	25,000
Total General Revenues					<u>3,259,127</u>	<u>18,443</u>	<u>3,277,570</u>
Change in Net Position					<u>1,725,677</u>	<u>461,627</u>	<u>2,187,304</u>
Net Position, Beginning of Year					<u>9,325,941</u>	<u>12,313,465</u>	<u>21,639,406</u>
Net Position, End of Year					<u>\$ 11,051,618</u>	<u>\$ 12,775,092</u>	<u>\$ 23,826,710</u>

Town of Morrison, Colorado
Balance Sheet
Governmental Funds
For the Year Ended December 31, 2023

	<u>General</u>
Assets	
Cash and Investments	\$ 6,839,464
Accounts Receivable - Customers	86,453
Sales & Use Tax Receivable	386,441
Property Taxes Receivable	96,890
Prepaid Expenses	<u>10,180</u>
Total Assets	<u>\$ 7,419,428</u>
Liabilities	
Accounts Payable	\$ 82,926
Deposits Payable	<u>29,384</u>
Total Liabilities	<u>112,310</u>
Deferred Inflows of Resources	
Property Taxes	96,890
Other Deferred Revenue	<u>53,286</u>
Total Deferred Inflows of Resources	<u>150,176</u>
Fund Balance	
Nonspendable	10,180
Restricted for:	
Emergencies	94,500
Parks and Open Space	294,973
Unrestricted, Unassigned	<u>6,757,289</u>
Total Fund Balance	<u>7,156,942</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 7,419,428</u>

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

Total Fund Balance of Governmental Funds	\$ 7,156,942
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	
Capital Assets	4,017,430
The long-term liabilities are not due and payable in the current year and, therefore, are not reported in governmental funds:	
Financing Leases	(64,962)
Accrued Interest	(349)
Compensated Absences	<u>(57,443)</u>
Total Net Position of Governmental Activities	<u>\$ 11,051,618</u>

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

	<u>General</u>
Revenues	
Taxes	\$ 2,598,714
Licenses and Permits	28,165
Charges for Services	862,487
Fines and Forfeitures	466,713
Intergovernmental	52,949
Other Sources	132,004
Investment Income	436,869
Lease Income	37,500
Miscellaneous Income	<u>152,700</u>
Total Revenues	<u>4,768,101</u>
Expenditures	
Current	
General Government	625,091
Community Development	182,571
Public Safety	1,427,954
Public Works	287,093
Culture and Recreation	309,279
Capital Outlay	207,140
Debt Service	
Principal	62,283
Interest	<u>5,472</u>
Total Expenditures	<u>3,106,883</u>
Excess (deficiency) of Revenues over Expenditures	1,661,218
Other Financing Sources and (Uses) including transfers	
Sales of Assets	<u>25,000</u>
Net Change in Fund Balance	1,686,218
Fund Balance, Beginning of Year	<u>5,470,724</u>
Fund Balance, End of Year	<u><u>\$ 7,156,942</u></u>

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

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

Net Change in Fund Balance of Governmental Funds	\$ 1,686,218
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. Dispositions of capital assets are reported in governmental funds as revenues. However, for governmental activities, those costs are capitalized in the Statement of Net Position and are allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. Dispositions are reported as reductions in capital assets and in accumulated depreciation on the Statement of Activities.	
Capital Outlay	207,141
(Loss) on Disposal of Assets	-
Depreciation Expense	(222,058)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in Accrued Interest	335
Change in Accrued Compensated Absences	(8,242)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term leases consume current financial resources of governmental funds.	
Principal payments on financing leases	<u>62,283</u>
Change in Net Position of Governmental Activities	\$ <u><u>1,725,677</u></u>

Town of Morrison, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2023

	<u>Utility</u>
Assets	
Current Assets	
Cash and Investments	\$ 3,665,452
Accounts Receivable	964,822
Inventory	10,320
Prepaid Expenses	5,301
Total Current Assets	<u>4,645,895</u>
Non-Current Assets	
Capital Assets, <i>Not being depreciated</i>	130,778
Capital Assets, <i>Net of accumulated depreciation</i>	<u>8,124,616</u>
Total Noncurrent Assets	<u>8,255,394</u>
Total Assets	<u>\$ 12,901,289</u>
Liabilities	
Current Liabilities	
Accounts Payable	\$ 89,443
Deposits on Developments	275
Compensated Absences, <i>Current Portion</i>	<u>3,648</u>
Total Current Liabilities	<u>93,366</u>
Non-Current Liabilities	
Compensated Absences	<u>32,831</u>
Total Liabilities	<u>126,197</u>
Net Position	
Investment in Capital Assets	8,255,394
Unrestricted	<u>4,519,698</u>
Total Net Position	<u>\$ 12,775,092</u>

Town of Morrison, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Utility
Operating Revenues	
Charges for Services	\$ 1,023,852
Mount Carbon Metropolitan District Subsidy	361,981
Miscellaneous Income	<u>17,281</u>
Total Operating Revenues	<u>1,403,114</u>
Operating Expenses	
Operations and Maintenance	1,104,541
Depreciation	<u>363,638</u>
Total Operating Expenses	<u>1,468,179</u>
Net Operating Gain (Loss)	(65,065)
Nonoperating Revenues (Expenses)	
Investment Income	<u>1,162</u>
Total Nonoperating Revenues (Expenses)	<u>1,162</u>
Net Income (Loss) Before Capital Contributions	<u>(63,903)</u>
Capital Contributions	
Tap and Resource Fees	<u>525,530</u>
	<u>525,530</u>
Change in Net Position	461,627
Net Position, <i>Beginning of Year</i>	<u>12,313,465</u>
Net Position, <i>End of Year</i>	<u><u>\$ 12,775,092</u></u>

Town of Morrison, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	<u>Utility</u>
Cash Flows From Operating Activities	
Cash Received from Customers	\$ 988,563
Cash Received from Others	17,281
Cash Received from Grants and Contributions	361,981
Cash Paid to Employees	(409,630)
Cash Paid to Suppliers	(679,621)
Net Cash Used in Operating Activities	<u>278,574</u>
Cash Flows From Investing Activities	
Interest Received	<u>1,162</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition of Capital Assets	(99,418)
Capital Contributions	525,530
Net Cash Provided by Capital and Related Financing Activities	<u>426,112</u>
Cash Flows From Noncapital Financing Activities	
Sales Taxes Received	75,608
Net Cash Provided by Noncapital Financing Activities	<u>75,608</u>
Net Change in Cash and Cash Equivalents	781,456
Cash and Cash Equivalents, <i>Beginning of year</i>	<u>2,883,996</u>
Cash and Cash Equivalents, <i>End of year</i>	<u>\$ 3,665,452</u>
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities	
Net Operating Gain/(Loss)	\$ (65,065)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities	
Depreciation	363,638
Changes in Assets and Liabilities Related to Operations	
Accounts Receivable	(35,289)
Inventory	-
Prepaid Expenses	(1,079)
Accounts Payable	12,730
Accrued Salaries and Benefits	-
Unearned fund	-
Deposits	-
Compensated Absences Payable	<u>3,639</u>
Net Cash Used in Operating Activities	<u>\$ 278,574</u>

Town of Morrison, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies

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

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

Reporting Entity

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

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

Government-wide and Fund Financial Statements

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

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

Town of Morrison, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

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

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

Town of Morrison, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

(Continued)

Additionally, the Town reports the following major proprietary fund:

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

Assets, Liabilities and Net Position/Fund Balance

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

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

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

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

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

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

Town of Morrison, Colorado

Notes to Financial Statements

December 31, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

As of December 31, 2023, the Town reported the following restriction in the Statement of Net Position: \$294,973 restricted for parks and open space and \$94,500 restricted for emergencies (see Note 7) reported under governmental activities. Restricted net position is a result of externally imposed restrictions.

Property Taxes

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

Subsequent Events

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

Town of Morrison, Colorado

Notes to Financial Statements

December 31, 2023

Note 2: Cash and Investments

At December 31, 2023, cash consisted of the following:

Petty Cash	\$	200
Cash Deposits		2,531,910
Investments		<u>7,972,806</u>
Total	\$	<u>10,504,916</u>

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2023, the Town had bank deposits of \$2,380,641 collateralized with securities held by the financial institutions' agents but not in their name.

Investments

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

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

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

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

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

Town of Morrison, Colorado

Notes to Financial Statements

December 31, 2023

Note 2: Cash and Investments (Continued)

Investments (Continued)

Local Government Investment Pool - At December 31, 2023, the Town had \$7,972,806 invested in the Colorado Local Government Liquid Asset Trust (Colotrust).

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

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

Note 3: Capital Assets

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

	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
Governmental Activities				
Capital Assets, <i>Not Being Depreciated</i>				
Land	\$ 415,013	\$ -	\$ -	\$ 415,013
Construction in Progress	45,058	122,859	(25,948)	141,969
Total Capital Assets, <i>Not Being Depreciated</i>	460,071	122,859	(25,948)	556,982
Capital Assets, <i>Being Depreciated</i>				
Infrastructure	1,702,664	25,948	-	1,728,612
Parks	3,491,461	-	-	3,491,461
Buildings	1,412,693	-	-	1,412,693
Vehicles and Equipment	1,166,382	84,282	-	1,250,664
Total Capital Assets, <i>Being Depreciated</i>	7,773,200	110,230	-	7,883,430

(Continued)

Town of Morrison, Colorado
Notes to Financial Statements
December 31, 2023

Note 3: Capital Assets (Continued)

	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
Governmental Activities (Continued)				
Capital Assets, <i>Being Depreciated (Continued)</i>				
Less Accumulated Depreciation				
Infrastructure	(1,312,580)	(42,653)	-	(1,355,233)
Parks	(1,217,007)	(72,340)	-	(1,289,347)
Buildings	(780,264)	(33,226)	-	(813,490)
Vehicles and Equipment	(891,073)	(73,839)	-	(964,912)
Total Accumulated Depreciation	<u>(4,200,924)</u>	<u>(222,058)</u>	<u>-</u>	<u>(4,422,982)</u>
Total Capital Assets, Being Depreciated	<u>3,572,276</u>	<u>(111,828)</u>	<u>-</u>	<u>3,460,448</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,032,347</u>	<u>\$ 11,031</u>	<u>\$ (25,948)</u>	<u>\$ 4,017,430</u>
	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
Business-Type Activities				
Capital Assets, <i>Not Being Depreciated</i>				
Land	\$ 45,535	\$ -	\$ -	\$ 45,535
Water Rights	85,243	-	-	85,243
Construction in Progress	<u>664,433</u>	<u>-</u>	<u>(664,433)</u>	<u>-</u>
Total Capital Assets, <i>Not Being Depreciated</i>	<u>795,211</u>	<u>-</u>	<u>(664,433)</u>	<u>130,778</u>
Capital Assets, <i>Being Depreciated</i>				
Water Treatment Plant and System	8,046,903	664,433	-	8,711,336
Sewer Treatment Plant and System	5,213,331	-	-	5,213,331
Vehicles and Equipment	<u>471,591</u>	<u>99,418</u>	<u>(44,093)</u>	<u>526,916</u>
Total Capital Assets, <i>Being Depreciated</i>	<u>13,731,825</u>	<u>763,851</u>	<u>(44,093)</u>	<u>14,451,583</u>
Less Accumulated Depreciation				
Water Treatment Plant and System	(4,274,547)	(198,584)	-	(4,473,131)
Sewer Treatment Plant and System	(1,423,527)	(133,545)	-	(1,557,072)
Vehicles and Equipment	<u>(309,348)</u>	<u>(31,509)</u>	<u>44,093</u>	<u>(296,764)</u>
Total Accumulated Depreciation	<u>(6,007,422)</u>	<u>(363,638)</u>	<u>44,093</u>	<u>(6,326,967)</u>
Total Capital Assets, <i>Being Depreciated, net</i>	<u>7,724,403</u>	<u>400,213</u>	<u>-</u>	<u>8,124,616</u>
Business-Type Activities Capital Assets, <i>net</i>	<u>\$ 8,519,614</u>	<u>\$ 400,213</u>	<u>\$ (664,433)</u>	<u>\$ 8,255,394</u>

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

General Government	\$ 31,993
Public Safety	66,755
Public Works	42,791
Culture and Recreation	<u>80,519</u>
Total	<u>\$ 222,058</u>

Town of Morrison, Colorado
Notes to Financial Statements
December 31, 2023

Note 4: Long-Term Debt

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

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023	Due Within One Year
Governmental Activities					
2023 Financing leases	\$ 127,245	\$ -	\$ (62,283)	\$ 64,962	\$ 64,962
Compensated Absences	49,201	48,502	(40,260)	57,443	5,744
Total	\$ 176,446	\$ 48,502	\$ (102,543)	\$ 122,405	\$ 70,706

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

During the year ended December 31, 2022, the Town entered into a 3-Year lease-purchase for the acquisition of 3 police vehicles with a total cost of \$195,000. Annual payments of principal and interest are \$67,755 with an interest rate of 4.3%. The lease transfers ownership of the underlying asset to the lessee by the end of the contract and does not contain any termination options. As of December 31, 2023, leased assets were \$127,245 and accumulated amortization was \$45,500.

Following is a summary of future minimum lease payments as of year ended December 31, 2023:

	Total
2024	\$ 67,755
Total Minimum Lease Payments	67,755
Less: Interest Portion	(2,793)
Present Value of Future Minimum Lease Payments	\$ 64,962

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

	Balance 12/31/2022	Additions	Deletions	Balance 12/31/2023	Due Within One Year
Business-Type Activities					
Compensated Absences	\$ 32,840	\$ 31,546	\$ (27,907)	\$ 36,479	\$ 3,648

Town of Morrison, Colorado

Notes to Financial Statements

December 31, 2023

Note 5: Retirement Commitments

Employees' Pension Plan

The Town contributes to a multiple-employer defined contribution retirement plan on behalf of its employees. All regular full-time employees are eligible to participate in the plan. The plan provisions and contribution requirements are established and may be amended by the Board of Trustees. The Town is required to contribute 3% of each participating employee's compensation, and each participating employee must contribute a matching amount. Employees may make additional voluntary contributions not to exceed 10% of their compensation. Employees fully vest in the Town's contributions at a rate of 33.3% for each full year of participation. During the year ended December 31, 2023, the Town contributed \$43,818 to the plan, equal to the required contributions. The Plan is administered by the Colorado Retirement Association.

Note 6: Risk Management

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

Public Entity Risk Pool

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

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

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

Town of Morrison, Colorado

Notes to Financial Statements

December 31, 2023

Note 7: Commitments and Contingencies

Litigation

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

TABOR Amendment

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

The Town has established emergency reserves, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2023, the Town reported emergency reserves of \$94,500 as restricted fund balance in the General Fund.

Mount Carbon Metropolitan District

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

During the year ended December 31, 2023, the Town received \$361,981 under this agreement, which is reported as operating revenue in the Utility Fund. As of December 31, 2023, 150 taps have been purchased.

Required Supplementary Information

Town of Morrison, Colorado
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes				
Sales	\$ 1,500,000	\$ 1,595,000	\$ 2,372,886	\$ 777,886
Use	45,000	45,000	82,825	37,825
Property	86,581	86,581	88,347	1,766
Specific Ownership	5,000	5,000	6,303	1,303
Franchise	35,000	35,000	48,353	13,353
Licenses and Permits	18,600	18,600	28,165	9,565
Charges for Services	626,300	761,300	862,487	101,187
Fines and Forfeitures	441,000	441,000	466,713	25,713
Intergovernmental	47,500	47,500	52,949	5,449
Other Sources	58,343	58,343	132,004	73,661
Investment Income	4,000	4,000	436,869	432,869
Lease Income	-	-	37,500	37,500
Miscellaneous	-	200,000	152,700	(47,300)
Total Revenues	2,867,324	3,297,324	4,768,101	1,470,777
Expenditures				
Current				
General Government	560,411	560,411	625,091	(64,680)
Community Development	64,500	131,500	182,571	(51,071)
Public Safety	1,301,382	1,416,382	1,427,954	(11,572)
Public Works	369,800	459,800	287,093	172,707
Culture & Recreation	283,740	283,740	309,279	(25,539)
Capital Outlay	294,255	341,500	207,140	134,360
Debt Service				
Principal	-	-	62,283	(62,283)
Interest	-	-	5,472	(5,472)
Total Expenditures	2,874,088	3,193,333	3,106,883	86,450
Excess (deficiency) of Revenues over Expenditures	(6,764)	103,991	1,661,218	1,557,227
Other Financing Sources and (Uses) including transfers				
Sales of Assets	-	-	25,000	25,000
Net Change in Fund Balance	(6,764)	103,991	1,686,218	1,582,227
Fund Balance, Beginning of Year	3,804,710	3,674,710	5,470,724	1,796,014
Fund Balance, End of Year	\$ 3,797,946	\$ 3,778,701	\$ 7,156,942	\$ 3,378,241

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

Note 1: Stewardship, Compliance, and Accountability

Budgets

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

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

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

During the year ended December 31, 2023, the Town had actual expenditures in excess of appropriations for its Utility Fund. This may be a violation of State statutes.

Supplementary Information

Town of Morrison, Colorado
 Budgetary Comparison Schedule
 Utility Fund
 For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Water Charges	\$ 355,000	\$ 355,000	\$ 587,596	\$ 232,596
Sewer Charges	225,000	225,000	351,894	126,894
Other Charges for Services	5,000	5,000	101,643	96,643
Mount Carbon Metropolitan District Subsidy	120,000	120,000	361,981	241,981
Investment Income	2,000	2,000	1,162	(838)
Tap Fees	18,400	18,400	525,530	507,130
Total Revenues	725,400	725,400	1,929,806	1,204,406
Expenditures				
Operations and Maintenance	1,044,000	1,094,000	1,104,541	(10,541)
Capital Outlay	98,000	98,000	99,418	(1,418)
Total Expenditures	1,142,000	1,192,000	1,203,959	(11,959)
Change in Net Position, Budgetary Basis	(416,600)	(466,600)	725,847	1,192,447
Reconciliation to GAAP Basis				
Capital Outlay - Capitalized			99,418	
Depreciation			(363,638)	
Change in Net Position, GAAP Basis			\$ 461,627	

State Compliance

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		Town of Morrison
		YEAR ENDING : December 31, 2023
This Information From The Records Of (example - City of _ or County of _ Town of Morrison, Colorado		Prepared By: Lorraine Trotter, Professional Mgmt Solutions Phone: 303-910-9197

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

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES		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)	82,986
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	137,474
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	59,410
2. General fund appropriations	976,717	b. Snow and ice removal	15,275
3. Other local imposts (from page 2)	40,229	c. Other	0
4. Miscellaneous local receipts (from page 2)	473,576	d. Total (a. through c.)	74,685
5. Transfers from toll facilities		4. General administration & miscellaneous	31,925
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	1,174,862
a. Bonds - Original Issues		6. Total (1 through 5)	1,501,932
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,490,522	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	11,411	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,501,933	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,501,932

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,501,933	1,501,933		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		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	267,620
1. Sales Taxes	0	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	198,672
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	40,229	g. Other Mis County Road & Bridge Tax	7,284
6. Total (1. through 5.)	40,229	h. Other General Sales Taxes	
c. Total (a. + b.)	40,229	i. Total (a. through h.)	473,576
(Carry forward to page 1)		(Carry forward to page 1)	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	10,350	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	1,061	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	1,061	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	11,411	3. Total (1. + 2.g)	
		(Carry forward to page 1)	

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation		82,986	82,986
(5). Total Construction (1) + (2) + (3) + (4)	0	82,986	82,986
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	82,986	82,986
			(Carry forward to page 1)

Notes and Comments: