

TOWN OF STRATTON, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2023

TOWN OF STRATTON, COLORADO

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Council
Town of Stratton, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Stratton, Colorado, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Town of Stratton, Colorado basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Stratton, Colorado, as of December 31, 2023, and the respective changes in financial position and, where applicable, cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Stratton, Colorado, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Stratton, Colorado's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Stratton, Colorado's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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


HANCOCK FROESE & COMPANY LLC

February 15, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF STRATTON, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of The Town of Stratton's (the "Town") financial performance provides an overview of the Town's financial activities for the fiscal years ended December 31, 2023 and 2022. Readers are encouraged to consider the information presented here in conjunction with the financial statement information.

FINANCIAL HIGHLIGHTS

1. Assets of the Town exceed its liabilities by \$6,023,874 of which \$4,057,748 is from the Town's Business-type Activities. Unrestricted net position totaled \$1,996,667 and may be used to meet the Town's on-going obligations.
2. Net investment in capital assets is the largest portion of the Town's net position. \$2,645,815 is in the Town's Business-type Activities and \$1,238,934 is in the Town's Governmental Activities.
3. Restricted net assets include \$19,000 required by TABOR, the emergency contingency required by Article X, Section 20 of the Colorado Constitution, \$72,758 for parks and recreation using conservation trust funding and \$50,700 for debt services on the loans in the Water Proprietary Fund and Sanitation Proprietary Fund.
4. The Town's debt is for improvements to the water and sewer infrastructure projects as well as for the purchase of a used back-hoe loader for a total of \$1,022,545.
5. The Town's Governmental Funds reported a combined ending fund balance of \$727,601 including the General Fund with \$613,935, the Conservation Trust Fund with \$72,758 and the Lodgers Tax Fund with \$40,908.
6. The Governmental Funds reported total unassigned fund balance of \$594,935. The unassigned fund balance is all made up of from the General Fund.
7. The Town's Proprietary Funds reported combined Total Net Position of \$4,057,748 of which \$1,361,233 is unrestricted, \$2,645,815 is net investment in capital assets and \$50,700 is restricted for debt services.
8. The Town's Proprietary Funds reported \$1,562,164 in cash.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

- Governmental funds
- Proprietary funds

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

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

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

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Other Information

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

Financial Analysis of the Town as a Whole

Net Position

Net position may serve as useful indicator of a government's financial position. In the case of the Town of Stratton, assets exceeded liabilities by \$6,023,874 at the close of the most recent fiscal year.

The largest portion of the Town's net position 64% reflects the investment in capital assets (e.g. land, buildings, machinery and equipment) less any accumulated depreciation and related debt to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Restricted net position is designed to reflect the net position that is subject to restrictions beyond the Town's control; restricted net position is 2% of total net position.

Unrestricted net position may be used to meet the government's ongoing obligations to the citizens and creditors; unrestricted net position makes up the remaining 34% of total net position. The Town is able to report positive balances in all three categories of net position for the government as a whole, as well as for its separate business-type activities.

The following table reflects the condensed Statement of Net Position.

Town of Stratton Combined Net Position as of December 31, 2023 and 2022

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
Assets						
Current Assets	\$ 849,170	\$ 819,624	\$ 1,624,220	\$ 1,469,421	\$ 2,473,390	\$ 2,289,045
Capital Assets	<u>1,273,543</u>	<u>1,233,586</u>	<u>3,633,751</u>	<u>3,735,508</u>	<u>4,907,294</u>	<u>4,969,094</u>
Total Assets	<u>2,122,713</u>	<u>2,053,210</u>	<u>5,257,971</u>	<u>5,204,929</u>	<u>7,380,684</u>	<u>7,258,139</u>
Liabilities						
Current Liabilities	33,798	29,807	284,409	241,900	318,207	271,707
Non-Current Liabilities	<u>25,789</u>	<u>43,222</u>	<u>915,814</u>	<u>1,059,292</u>	<u>941,603</u>	<u>1,102,514</u>
Total Liabilities	<u>59,587</u>	<u>73,029</u>	<u>1,200,223</u>	<u>1,301,192</u>	<u>1,259,810</u>	<u>1,374,221</u>
Deferred Inflows of Resources						
Deferred Rev.–Property Taxes	<u>97,000</u>	<u>92,000</u>	<u>-</u>	<u>-</u>	<u>97,000</u>	<u>92,000</u>
Total Deferred Inflows	<u>97,000</u>	<u>94,000</u>	<u>-</u>	<u>-</u>	<u>97,000</u>	<u>92,000</u>
Net Position						
Net Investment in						
Capital Assets	1,238,934	1,190,364	2,645,815	2,676,216	3,884,749	3,866,580
Restricted	91,758	78,724	50,700	59,600	142,458	138,324
Unrestricted	<u>635,434</u>	<u>619,093</u>	<u>1,361,233</u>	<u>1,167,921</u>	<u>1,996,667</u>	<u>1,787,014</u>
Total Net Position	<u>\$ 1,966,126</u>	<u>\$ 1,888,181</u>	<u>\$ 4,057,748</u>	<u>\$ 3,903,737</u>	<u>\$ 6,023,874</u>	<u>\$ 5,791,918</u>

Restrictions in the governmental activities include \$19,000 for statutory reserves for emergencies required by TABOR and \$72,758 for restrictions on conservation trust funding and restrictions in the business-type activities include \$50,700 for debt services in the Water Proprietary Fund and Sanitation Proprietary Fund.

Changes in Net Position

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

Town of Stratton Condensed Changes in Net Position

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services	\$ 20,242	\$ 27,661	\$ 479,302	\$ 477,306	\$ 499,544	\$ 504,967
Operating Grants and Contributions	122,231	89,808	21,098	16,908	143,329	106,716
Capital Grants and Contributions	54,312	-	3,500	102,576	57,812	102,576
General Revenue:						
Property Taxes	106,540	100,039	-	-	106,540	100,039
Specific Ownership Taxes	11,529	6,855	-	-	11,529	6,855
Sales Taxes	191,927	203,545	-	-	191,927	203,545
Franchise Taxes	50,861	44,394	-	-	50,861	44,394
Other Taxes	12,250	15,681	-	-	12,250	15,681
Miscellaneous	9,811	35,264	-	-	9,811	35,264
Interest	<u>630</u>	<u>288</u>	<u>2,256</u>	<u>926</u>	<u>2,886</u>	<u>1,214</u>
Total Revenues	<u>580,333</u>	<u>523,535</u>	<u>506,156</u>	<u>597,716</u>	<u>1,086,489</u>	<u>1,121,251</u>

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2023	2022	2023	2022	2023	2022
Expenses						
General Government	131,158	132,550	-	-	131,158	132,550
Public Safety	55,903	31,660	-	-	55,903	31,660
Public Works	156,994	126,662	-	-	156,994	126,662
Economic Development	500	-	-	-	500	-
Health and Welfare	2,218	1,998	-	-	2,218	1,998
Culture and Recreation	155,615	130,985	-	-	155,615	130,985
Sanitation	-	-	81,574	123,764	81,574	123,764
Water	-	-	219,141	213,642	219,141	213,642
Community Building	-	-	51,430	33,587	51,430	33,587
Total Expenses	502,388	423,855	352,145	370,993	854,533	794,848
Revenues Over (Under) Expenditures	77,945	99,680	154,011	226,723	231,956	326,403
Transfer In (Out)	-	-	-	-	-	-
Change in Net Position	77,945	99,680	154,011	226,723	231,956	326,403
Net Position, Beginning	1,888,181	1,788,501	3,903,737	3,677,014	5,791,918	5,465,515
Net Position, Ending	<u>\$ 1,966,126</u>	<u>\$ 1,888,181</u>	<u>\$ 4,057,748</u>	<u>\$ 3,903,737</u>	<u>\$ 6,023,874</u>	<u>\$ 5,791,918</u>

Charges for services for the business-type activities for 2023 and 2022 are as follows:

	2023	2022
Sanitation	\$ 138,360	\$ 139,115
Water	332,446	329,344
Community Building	8,496	8,847
Total Charges for Services	<u>\$ 479,302</u>	<u>\$ 477,306</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

GOVERNMENTAL FUNDS

The focus of the Town of Stratton's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year. As of the end of the year, the town's governmental funds reported a combined fund balance of \$727,601. Of that fund balance, \$594,935 constitutes unassigned fund balance, which is available for spending at the government's discretion and \$40,908 is assigned for a specific purpose. The remainder of fund balance reflects a state constitution mandated emergency reserve of \$19,000 and a restriction on conservation trust funds of \$72,758.

PROPRIETARY FUNDS

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

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

	Total Net Position		Change in Net Position for Year Ended	
	2023	2022	2023	2022
Sanitation	\$ 891,955	\$ 825,763	\$ 66,192	\$ 32,643
Water	2,819,211	2,704,089	115,122	116,244
Community Building	346,582	373,885	(27,303)	77,836
Total Enterprise Funds	<u>\$ 4,057,748</u>	<u>\$ 3,903,737</u>	<u>\$ 154,011</u>	<u>\$ 226,723</u>

BUDGETARY HIGHLIGHTS

The General Fund's final budget was \$723,546 in Revenues (including transfers in) and \$776,031 in Expenditures (including transfers out). The Actual amounts were \$559,788 in Revenues and \$550,660 in Expenditures.

The Sanitation Proprietary Fund's final budget was \$231,900 in Revenues and \$229,900 in Expenditures. The Actual amounts were \$147,766 in Revenues and \$106,237 in Expenditures.

The Water Proprietary Fund's final budget was \$690,515 in Revenues and \$655,534 (includes transfer out) in Expenditures. The Actual amounts were \$334,263 (includes capital contributions, as applicable) in Revenues and \$265,834 in Expenditures.

The Community Building Proprietary Fund's final budget was \$18,900 in Revenues and \$77,630 in Expenditures. The Actual amounts were \$24,127 in Revenues and \$56,930 in Expenditures.

No funds expenditures exceeded appropriations in 2023.

CAPITAL ASSETS

At the end of 2023, the Town reported \$4,909,294 in capital assets, net of accumulated depreciation, compared to \$4,969,094 in 2022. Capital assets reported includes land, equipment, buildings, water, and sewer lines. See Note-4 for additional information. The change is due to acquisitions and the increase in depreciation expense.

LONG-TERM LIABILITIES

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

ECONOMIC FACTORS AFFECTING FUTURE FINANCIAL CONDITIONS

The Town's elected officials considered many factors when setting the fiscal year 2024 budget, tax rates, and fees that will be charged for business-type activities.

Factors that have a potential to significantly impact the Town's 2024 budget include: 1.) ongoing rising cost of health insurance, 2.) fluctuation in fuel and energy costs, 3.) pay increases for employees, and 4.) the decision on whether or not to raise rates in proprietary funds.

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

TOWN OF STRATTON, COLORADO

STATEMENT OF NET POSITION

DECEMBER 31, 2023

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ 559,592	\$ 1,562,164	\$ 2,121,756
Receivables - net			
Accounts	12,645	43,827	56,472
Taxes	97,000	-	97,000
Intergovernmental	34,936	-	34,936
Grants	3,003	390	3,393
Due from other funds	141,994	17,839	159,833
Capital assets - net of accumulated depreciation	1,273,543	3,633,751	4,907,294
TOTAL ASSETS	\$ 2,122,713	\$ 5,257,971	\$ 7,380,684
LIABILITIES			
Accounts payable	\$ 1,797	\$ 7,252	\$ 9,049
Accrued expenses	16,952	6,277	23,229
Customer deposits	-	2,748	2,748
Due to other funds	6,229	153,604	159,833
Unearned revenue	-	42,406	42,406
Noncurrent liabilities			
Due within one year	8,820	72,122	80,942
Due in more than one year	25,789	915,814	941,603
TOTAL LIABILITIES	59,587	1,200,223	1,259,810
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	97,000	-	97,000
TOTAL DEFERRED INFLOWS OF RESOURCES	97,000	-	97,000
NET POSITION			
Net investment in capital assets	1,238,934	2,645,815	3,884,749
Restricted for:			
TABOR	19,000	-	19,000
Parks and recreation	72,758	-	72,758
Operations and maintenance	-	50,700	50,700
Unrestricted	635,434	1,361,233	1,996,667
TOTAL NET POSITION	1,966,126	4,057,748	6,023,874
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 2,122,713	\$ 5,257,971	\$ 7,380,684

TOWN OF STRATTON, COLORADO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

FUNCTIONS/PROGRAMS GOVERNMENTAL ACTIVITIES:	PROGRAM REVENUES			NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		TOTAL
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
General government	\$ 131,158	\$ 6,845	\$ 17,898	\$ -	\$(106,415)	\$ -	\$(106,415)
Public safety	55,903	-	-	-	(55,903)	-	(55,903)
Public works	156,994	-	31,441	-	(125,553)	-	(125,553)
Economic development	500	-	-	-	(500)	-	(500)
Health and welfare	2,218	-	-	-	(2,218)	-	(2,218)
Culture and recreation	155,615	13,397	72,892	54,312	(15,014)	-	(15,014)
TOTAL GOVERNMENTAL ACTIVITIES	502,388	20,242	122,231	54,312	(305,603)	-	(305,603)
BUSINESS-TYPE ACTIVITIES							
Sanitation	81,574	138,360	8,967	-	-	65,753	65,753
Water	219,141	332,446	-	-	-	113,305	113,305
Community Building	51,430	8,496	12,131	3,500	-	(27,303)	(27,303)
TOTAL BUSINESS-TYPE ACTIVITIES	352,145	479,302	21,098	3,500	-	151,755	151,755
TOTAL PRIMARY GOVERNMENT	\$ 854,533	\$ 499,544	\$ 143,329	\$ 57,812	(305,603)	151,755	(153,848)
GENERAL REVENUES							
Taxes							
Property taxes					106,540	-	106,540
Specific ownership taxes					11,529	-	11,529
Sales taxes					191,927	-	191,927
Franchise taxes					50,861	-	50,861
Other					12,250	-	12,250
Miscellaneous					9,811	-	9,811
Interest					630	2,256	2,886
TOTAL GENERAL REVENUES					383,548	2,256	385,804
CHANGE IN NET POSITION					77,945	154,011	231,956
NET POSITION - BEGINNING					1,888,181	3,903,737	5,791,918
NET POSITION - ENDING					\$ 1,966,126	\$ 4,057,748	\$ 6,023,874

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF STRATTON, COLORADO

GOVERNMENTAL FUNDS

BALANCE SHEET

DECEMBER 31, 2023

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents	\$ 446,345	\$ 113,247	\$ 559,592
Receivables			
Accounts	12,226	419	12,645
Taxes	97,000	-	97,000
Intergovernmental	34,936	-	34,936
Grants	3,003	-	3,003
Due from other funds	141,994	-	141,994
TOTAL ASSETS	\$ 735,504	\$ 113,666	\$ 849,170
LIABILITIES			
Accounts payable	\$ 1,797	\$ -	\$ 1,797
Accrued expenses	16,543	-	16,543
Due to other funds	6,229	-	6,229
TOTAL LIABILITIES	24,569	-	24,569
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	97,000	-	97,000
FUND BALANCE			
Restricted for:			
TABOR	19,000	-	19,000
Parks and recreation	-	72,758	72,758
Assigned for:			
Community and economic development	-	40,908	40,908
Unassigned	594,935	-	594,935
TOTAL FUND BALANCE	613,935	113,666	727,601
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 735,504	\$ 113,666	\$ 849,170

TOWN OF STRATTON, COLORADO

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

DECEMBER 31, 2023

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

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 727,601
Capital assets used in governmental activities are not financial resources and therefore are not reported in funds.	
The cost of capital assets is	\$ 2,711,454
Accumulated depreciation is	<u>(1,437,911)</u>
	1,273,543
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Long term capital lease	(34,609)
Accrued interest on capital lease	<u>(409)</u>
	<u>(35,018)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,966,126</u></u>

TOWN OF STRATTON, COLORADO

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR YEAR ENDED DECEMBER 31, 2023

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Taxes	\$ 361,732	\$ 11,375	\$ 373,107
Licenses and permits	1,102	-	1,102
Intergovernmental	31,441	8,999	40,440
Charges for services	20,241	-	20,241
Grants	135,222	-	135,222
Other	10,050	170	10,220
TOTAL REVENUES	559,788	20,544	580,332
EXPENDITURES			
General government	131,002	-	131,002
Public safety	54,015	-	54,015
Public works	121,609	-	121,609
Economic development	-	500	500
Health and welfare	2,218	-	2,218
Culture and recreation	107,258	-	107,258
Capital Outlay	124,776	-	124,776
Debt Service	9,682	-	9,682
TOTAL EXPENDITURES	550,560	500	551,060
REVENUES OVER (UNDER) EXPENDITURES	9,228	20,044	29,272
FUND BALANCE JANUARY 1	604,707	93,622	698,329
FUND BALANCE DECEMBER 31	\$ 613,935	\$ 113,666	\$ 727,601

TOWN OF STRATTON, COLORADO

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

YEAR ENDED DECEMBER 31, 2023

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

NET CHANGE IN FUND BALANCE	\$	29,272
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays differ from depreciation in the current period.</p>		
Capital outlay	\$	124,776
Depreciation expense and loss on disposition		<u>(84,819)</u>
		39,957
<p>Capital lease payments are reported as expenditures in the governmental funds but not reported as expenses in the statement of activities</p>		
Lease payments		8,613
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds</p>		
Accrued interest expense on capital lease		<u>103</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>77,945</u></u>

TOWN OF STRATTON, COLORADO

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

DECEMBER 31, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	SANITATION	WATER	COMMUNITY BUILDING	TOTAL
CURRENT ASSETS				
Cash	\$ 276,715	\$ 1,249,552	\$ 35,897	\$ 1,562,164
Accounts receivable	-	43,827	-	43,827
Grant receivable	390	-	-	390
Due from other funds	17,839	-	-	17,839
TOTAL CURRENT ASSETS	294,944	1,293,379	35,897	1,624,220
PROPERTY AND EQUIPMENT - NET	727,986	2,539,359	366,406	3,633,751
TOTAL ASSETS	\$ 1,022,930	\$ 3,832,738	\$ 402,303	\$ 5,257,971
CURRENT LIABILITIES				
Accounts payable	\$ 390	\$ -	\$ 6,862	\$ 7,252
Accrued expenses	1,115	5,162	-	6,277
Customer deposits	-	2,693	55	2,748
Due to other funds	39,434	107,772	6,398	153,604
Unearned revenue	-	-	42,406	42,406
Loans payable - current maturities	25,127	46,995	-	72,122
TOTAL CURRENT LIABILITIES	66,066	162,622	55,721	284,409
NONCURRENT LIABILITIES				
Loans payable - net of current maturities	64,909	850,905	-	915,814
TOTAL LIABILITIES	130,975	1,013,527	55,721	1,200,223
NET POSITION				
Net investment in capital assets	637,950	1,641,459	366,406	2,645,815
Restricted for:				
Operations and maintenance	14,200	36,500	-	50,700
Unrestricted	239,805	1,141,252	(19,824)	1,361,233
TOTAL NET POSITION	891,955	2,819,211	346,582	4,057,748
TOTAL LIABILITIES AND NET POSITION	\$ 1,022,930	\$ 3,832,738	\$ 402,303	\$ 5,257,971

SEE NOTES TO FINANCIAL STATEMENTS

TOWN OF STRATTON, COLORADO

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED DECEMBER 31, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	SANITATION	WATER	COMMUNITY BUILDING	TOTAL
OPERATING REVENUES				
Charges for services	\$ 138,360	\$ 332,446	\$ 8,496	\$ 479,302
OPERATING EXPENSES				
Salaries	16,840	52,821	-	69,661
Employee benefits	151	3,710	-	3,861
Payroll taxes	755	3,963	-	4,718
Utilities	13,514	13,860	10,763	38,137
Repairs and maintenance	21,193	62,356	19,911	103,460
Professional services	976	1,071	-	2,047
Supplies	50	1,587	3,621	5,258
Depreciation	22,927	68,196	16,134	107,257
Miscellaneous	3,210	6,340	1,001	10,551
TOTAL OPERATING EXPENSES	79,616	213,904	51,430	344,950
OPERATING INCOME (LOSS)	58,744	118,542	(42,934)	134,352
NONOPERATING REVENUES (EXPENSE)				
Interest income	439	1,817	-	2,256
Grant income	8,967	-	15,631	24,598
Interest expense	(1,958)	(5,237)	-	(7,195)
TOTAL NONOPERATING REVENUES (EXPENSES)	7,448	(3,420)	15,631	19,659
CHANGE IN NET POSITION	66,192	115,122	(27,303)	154,011
NET POSITION JANUARY 1	825,763	2,704,089	373,885	3,903,737
NET POSITION DECEMBER 31	\$ 891,955	\$ 2,819,211	\$ 346,582	\$ 4,057,748

TOWN OF STRATTON, COLORADO

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	SANITATION	WATER	COMMUNITY BUILDING	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 138,360	\$ 336,013	\$ 8,496	\$ 482,869
Cash payments for supplies, goods, services	(41,210)	(89,378)	(28,434)	(159,022)
Cash payments to employees	(18,894)	(60,493)	-	(79,387)
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	78,256	186,142	(19,938)	244,460
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Grant proceeds	10,241	-	-	10,241
Transfers	22,713	(12,255)	-	10,458
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	32,954	(12,255)	-	20,699
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisitions of capital assets	-	-	(5,500)	(5,500)
Principal paid on notes payable	(24,663)	(46,693)	-	(71,356)
Interest paid on debt	(2,035)	(5,288)	-	(7,323)
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(26,698)	(51,981)	(5,500)	(84,179)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	439	1,817	-	2,256
NET CHANGE IN CASH FLOWS FROM INVESTING ACTIVITIES	439	1,817	-	2,256
NET CHANGE IN CASH	84,951	123,723	(25,438)	183,236
CASH BEGINNING OF YEAR	191,764	1,125,829	61,335	1,378,928
CASH END OF YEAR	\$ 276,715	\$ 1,249,552	\$ 35,897	\$ 1,562,164
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 58,744	\$ 118,542	\$ (42,934)	\$ 134,352
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	22,927	68,196	16,134	107,257
Change in assets and liabilities				
(Increase) decrease in accounts receivable	-	3,568	-	3,568
Increase (decrease) in accounts payable	(2,267)	(4,164)	6,862	431
Increase (decrease) in accrued expenses	(1,148)	-	-	(1,148)
NET CHANGE IN CASH FLOWS OPERATING ACTIVITIES	\$ 78,256	\$ 186,142	\$ (19,938)	\$ 244,460

SEE NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

THE FINANCIAL REPORTING ENTITY

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments are recorded only when payment is due.

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

The Town reports the following major governmental fund:

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

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Town reports the following major proprietary funds:

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

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

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

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

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

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

Accounts Receivable and Allowance for Uncollectible Accounts – Accounts receivable balances are recorded on the statement of net position, net of allowance for uncollectible accounts. At December 31, 2023, the Town reported \$43,827 in the Water Proprietary Fund, \$12,226 in the General Fund and \$419 in the Lodgers Tax Special Revenue Fund for accounts receivable, net of allowance for uncollectible accounts of \$0.

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

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

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

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

Property taxes are not due and payable until after the assessment year has ended, and are not included in the budgets or statements of revenues, expenditures and fund balance of the assessment year. Property taxes levied are recorded in the governmental funds as taxes receivable and deferred revenues as of December 31, 2023, since the amounts are measurable but not available until 2024. Property tax abatements are recorded as an offset to property tax revenues when they are paid. An allowance for uncollectible property taxes is not provided as the uncollectible amounts were determined to be negligible based on an analysis of historical trends. Property taxes are levied before December 22 each year and attach as an enforceable lien on the property as of January 1 of the following year. Taxes are payable in full on April 30 or in two installments due on February 28 and June 15.

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

Grants Receivable – Grants receivable represent expenditures that have been incurred, with all grant requirements met, but with no reimbursement received from the granting agency for the eligible expenditures as of December 31, 2023.

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

TOWN OF STRATTON, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances / Net Position (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Public hearings are conducted to obtain taxpayer comments.

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

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

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Excess of Expenditures over Appropriations - For the year ended December 31, 2023, no funds expenditures exceeded appropriations.

NOTE -2 DEPOSITS AND INVESTMENTS

Deposits

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

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of December 31, 2023, \$1,627,778 of the Town's bank balance of \$2,127,778 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA.

At December 31, 2023, the Town's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 500,000	\$ 500,000
Uninsured, Collateralized under the Public Deposit Protection Act	1,621,638	1,627,778
Cash on Hand	<u>118</u>	<u>-</u>
	<u>\$ 2,121,756</u>	<u>\$ 2,127,778</u>

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

Governmental Activities - Cash	\$ 559,592
Business-Type Activities – Cash	<u>1,562,164</u>
	<u>\$ 2,121,756</u>

NOTE -3 PROPERTY TAXES RECEIVABLE AND DEFERRED REVENUES

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, \$97,000 of property taxes was deemed unavailable.

TOWN OF STRATTON, COLORADO
NOTES TO FINANCIAL STATEMENTS

NOTE -4 CAPITAL ASSETS

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

Primary Government

	<u>Beginning Balance</u>	<u>Transfers Increases</u>	<u>Transfers Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets not being depreciated				
Land	\$ 98,428	\$ -	\$ -	\$ 98,428
Construction in Process	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>98,428</u>	<u>-</u>	<u>-</u>	<u>98,428</u>
Capital assets being depreciated				
Infrastructure	870,319	45,292	-	915,611
Buildings	406,909	8,281	-	415,190
Improvements	951,293	49,112	(32,963)	967,442
Equipment & Vehicles	<u>363,451</u>	<u>22,091</u>	<u>(70,759)</u>	<u>314,783</u>
	<u>2,591,972</u>	<u>124,776</u>	<u>(103,722)</u>	<u>2,613,026</u>
Less accumulated depreciation for				
Infrastructure	(309,455)	(20,744)	-	(330,199)
Buildings	(159,468)	(8,188)	-	(167,656)
Improvements	(702,552)	(36,575)	32,963	(706,164)
Equipment & Vehicles	<u>(285,339)</u>	<u>(19,312)</u>	<u>70,759</u>	<u>(233,892)</u>
	<u>(1,456,814)</u>	<u>(84,819)</u>	<u>103,722</u>	<u>(1,437,911)</u>
Governmental Activities				
Net Capital Assets	<u>\$ 1,233,586</u>	<u>\$ 39,957</u>	<u>\$ -</u>	<u>\$ 1,273,543</u>
 <u>Business-Type Activities:</u>				
Capital assets not being depreciated				
Land	\$ 88,377	\$ -	\$ -	\$ 88,377
Construction in Process	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>88,377</u>	<u>-</u>	<u>-</u>	<u>88,377</u>
Capital assets being depreciated				
Site Improvements	28,358	-	-	28,358
Buildings	614,372	-	-	614,372
Equipment & Vehicles	146,000	5,500	(750)	150,750
System	<u>4,334,763</u>	<u>-</u>	<u>-</u>	<u>4,334,763</u>
	<u>5,123,493</u>	<u>5,500</u>	<u>(750)</u>	<u>5,128,243</u>
Less accumulated depreciation for				
Site Improvements	(22,635)	(1,418)	-	(24,053)
Buildings	(180,257)	(15,365)	-	(195,622)
Equipment & Vehicles	(101,832)	(6,377)	750	(107,459)
System	<u>(1,171,638)</u>	<u>(84,097)</u>	<u>-</u>	<u>(1,255,735)</u>
	<u>(1,476,362)</u>	<u>(107,257)</u>	<u>750</u>	<u>(1,582,869)</u>
Business-type Activities				
Net Capital Assets	<u>\$ 3,735,508</u>	<u>\$ (101,757)</u>	<u>\$ -</u>	<u>\$ 3,633,751</u>

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -4 CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:

General government	\$ 156
Cultural & recreation	48,357
Public safety	1,888
Public works	<u>34,418</u>
Total depreciation expense – governmental activities	<u>\$ 84,819</u>

Business-Type Activities:

Sanitation Proprietary Fund	\$ 22,927
Water Proprietary Fund	68,196
Community Building Proprietary Fund	<u>16,134</u>
Total depreciation expense – business-type activities	<u>\$ 107,257</u>

NOTE -5 LONG-TERM DEBT

The following is a summary of long-term obligation transactions of the Town for the year ended December 31, 2023:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>	<u>CURRENT PORTION</u>
<u>Governmental Activities:</u>					
Capital Lease	<u>\$ 43,222</u>	<u>\$ -</u>	<u>\$ (8,613)</u>	<u>\$ 34,609</u>	<u>\$ 8,820</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 8,820	\$ 862	\$ 9,682
2025	<u>25,789</u>	<u>1,091</u>	<u>26,880</u>
	<u>\$ 34,609</u>	<u>\$ 1,953</u>	<u>\$ 36,562</u>

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>	<u>CURRENT PORTION</u>
<u>Business-Type Activities:</u>					
Loan Payable 1 - Water	\$ 285,976	\$ -	\$ (16,060)	\$ 269,916	\$ 16,362
Loan Payable 2 - Water	658,617	-	(30,633)	627,984	30,633
Loan Payable 1 - Sanitation	<u>114,699</u>	<u>-</u>	<u>(24,663)</u>	<u>90,036</u>	<u>25,127</u>
Totals	<u>\$1,059,292</u>	<u>\$ -</u>	<u>\$ (71,356)</u>	<u>\$ 987,936</u>	<u>\$ 72,122</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 72,122	\$ 6,555	\$ 78,677
2025	72,904	5,773	78,677
2026	73,700	4,977	78,677
2027	61,163	4,166	65,329
2028	48,263	3,717	51,980
2029-2033	246,426	13,473	259,899
2034-2038	244,874	4,352	249,226
2039-2043	153,167	-	153,167
2044	<u>15,317</u>	<u>-</u>	<u>15,317</u>
	<u>\$ 987,936</u>	<u>\$ 43,013</u>	<u>\$1,030,949</u>

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -5 LONG-TERM DEBT (Continued)

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

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

Annual requirements of the loan as of December 31, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 8,820	\$ 862	\$ 9,682
2025	<u>25,789</u>	<u>1,091</u>	<u>26,880</u>
	<u>\$ 34,609</u>	<u>\$ 1,953</u>	<u>\$ 36,562</u>

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

Annual requirements of the loan as of December 31, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 16,362	\$ 4,984	\$ 21,346
2025	16,670	4,676	21,346
2026	16,984	4,362	21,346
2027	17,304	4,042	21,346
2028	17,630	3,716	21,346
2029-2033	93,259	13,474	106,733
2034-2038	<u>91,707</u>	<u>4,352</u>	<u>96,059</u>
	<u>\$ 269,916</u>	<u>\$ 39,606</u>	<u>\$ 309,522</u>

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

Annual requirements of the loan as of December 31, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 30,633	\$ -	\$ 30,633
2025	30,633	-	30,633
2026	30,633	-	30,633
2027	30,633	-	30,633
2028	30,633	-	30,633
2029-2033	153,167	-	153,167
2034-2038	153,167	-	153,167
2039-2043	153,167	-	153,167
2044	<u>15,318</u>	<u>-</u>	<u>15,318</u>
	<u>\$ 627,984</u>	<u>\$ -</u>	<u>\$ 627,984</u>

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -5 LONG-TERM DEBT (Continued)

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

Annual requirements of the loan as of December 31, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 25,127	\$ 1,571	\$ 26,698
2025	25,601	1,097	26,698
2026	26,083	615	26,698
2027	<u>13,225</u>	<u>124</u>	<u>13,349</u>
	<u>\$ 90,036</u>	<u>\$ 3,407</u>	<u>\$ 93,443</u>

In connection with the above notes payable, the Town is subject to various covenants and is required to maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation. As of December 31, 2023, the Town was in compliance with all covenants and maintained the required reserve of \$14,200 in the Sanitation Proprietary Fund and \$36,500 in the Water Proprietary Fund.

NOTE -6 INTERFUND RECEIVABLES AND PAYABLES

Interfund Receivables and Payables:

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

The composition of due to / from other funds as of December 31, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water	\$ 96,162
General	Sanitation	39,434
General	Community Building	<u>6,398</u>
		<u>\$ 141,994</u>
Sanitation	General	\$ 6,229
Sanitation	Water	<u>11,610</u>
		<u>\$ 17,839</u>

NOTE -7 NET POSITION

Restricted net position represents net position whose users are subject to constraints that are either 1.) legally imposed by creditors (such as debt covenants), grantors, or laws or regulations of other governments, or 2.) imposed by law through constitutional provisions or enabling legislation. Restricted net position at December 31, 2023 is as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Operations and Maintenance	\$ -	\$ 50,700	\$ 50,700
Parks and Recreation	72,758	-	72,758
Emergencies - TABOR	<u>19,000</u>	<u>-</u>	<u>19,000</u>
	<u>\$ 91,758</u>	<u>\$ 50,700</u>	<u>\$ 142,458</u>

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -7 NET POSITION (Continued)

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

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

Restricted for Emergencies - TABOR – This represents approximately 3% of the Town’s 2023 fiscal year spending as that term is defined in the Colorado constitution. Under these provisions of the constitution, this portion of the Town’s net position can be used for declared emergencies only and the Town must maintain 3% or more of its spending in this restricted account. The Town does not believe this restriction meets the definition of a stabilization arrangement under generally accepted accounting principles.

NOTE -8 FUND BALANCES

At December 31, 2023, fund balances for governmental funds consist of the following:

	Restricted Fund Balance			Total
	Emergencies TABOR	Future Expenditures	Parks & Recreation	
General Fund	\$ 19,000	\$ -	\$ -	\$ 19,000
Conservation Trust Fund	-	-	72,758	72,758
Total	\$ 19,000	\$ -	\$ 72,758	\$ 91,758

	Assigned Fund Balance		
	Community and Economic Development	Future Expenditures	Total
Lodgers Tax Fund	\$ 40,908	\$ -	\$ 40,908

NOTE -9 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in a public entity risk pool to meet its insurance needs for workers' compensation. The Town utilizes the Colorado Intergovernmental Risk Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for over 100 Colorado governmental entities. The Town pays an annual premium to CIRSA for its workers compensation coverage.

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

NOTE -10 TAX SPENDING AND DEBT LIMITATIONS

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

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

TOWN OF STRATTON, COLORADO

NOTES TO FINANCIAL STATEMENTS

NOTE -10 TAX SPENDING AND DEBT LIMITATIONS (Continued)

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. Emergency reserves have been provided for as required by Article X, Section 20 of the constitution of the State of Colorado. Per TABOR, \$19,000 of the fund balance has been reserved in compliance with this requirement.

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

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

NOTE -11 SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF STRATTON, COLORADO

GENERAL FUND

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

YEAR ENDED DECEMBER 31, 2023

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Taxes	\$ 298,909	\$ 298,909	\$ 361,732	\$ 62,823
Licenses and permits	1,400	1,400	1,102	(298)
Intergovernmental	30,340	30,340	31,441	1,101
Charges for services	26,875	26,875	20,241	(6,634)
Grants	224,500	224,500	135,222	(89,278)
Other	20,025	20,025	10,050	(9,975)
TOTAL REVENUES	602,049	602,049	559,788	(42,261)
EXPENDITURES				
General government	171,681	171,681	131,002	40,679
Public safety	81,064	81,064	54,015	27,049
Public works	186,422	186,422	121,609	64,813
Health and welfare	2,500	2,500	2,218	282
Culture and recreation	91,911	91,911	107,258	(15,347)
Capital outlay	230,328	230,328	124,776	105,552
Debt service	125	125	9,682	(9,557)
TOTAL EXPENDITURES	764,031	764,031	550,560	213,471
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(161,982)	(161,982)	9,228	171,210
OTHER FINANCING SOURCES				
Transfers in	121,497	121,497	-	(121,497)
Transfers out	(12,000)	(12,000)	-	12,000
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	(52,485)	(52,485)	9,228	61,713
FUND BALANCE JANUARY 1	604,707	604,707	604,707	-
FUND BALANCE DECEMBER 31	\$ 552,222	\$ 552,222	\$ 613,935	\$ 61,713

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS

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

TOWN OF STRATTON, COLORADO

GENERAL FUND

BALANCE SHEET

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 446,345	\$ 440,912
Receivables		
Accounts	12,226	12,058
Taxes	97,000	92,000
Notes	-	981
Intergovernmental	34,936	37,993
Grants	3,003	10,006
Due from other funds	<u>141,994</u>	<u>132,052</u>
 TOTAL ASSETS	 <u>\$ 735,504</u>	 <u>\$ 726,002</u>
LIABILITIES		
Accounts payable	\$ 1,797	\$ -
Accrued expenses	16,543	14,173
Due to other funds	<u>6,229</u>	<u>15,122</u>
 TOTAL LIABILITIES	 <u>24,569</u>	 <u>29,295</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	<u>97,000</u>	<u>92,000</u>
FUND BALANCE		
Restricted for emergencies - TABOR	19,000	15,100
Unassigned	<u>594,935</u>	<u>589,607</u>
 TOTAL FUND BALANCE	 <u>613,935</u>	 <u>604,707</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	 <u>\$ 735,504</u>	 <u>\$ 726,002</u>

TOWN OF STRATTON, COLORADO

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUES		
Taxes	\$ 361,732	\$ 359,288
Licenses and permits	1,102	869
Intergovernmental	31,441	31,703
Charges for services	20,241	27,661
Grants	135,222	48,878
Other	<u>10,050</u>	<u>41,235</u>
TOTAL REVENUES	<u>559,788</u>	<u>509,634</u>
EXPENDITURES		
General government	131,002	132,394
Public safety	54,015	29,772
Public works	121,609	89,450
Health and welfare	2,218	1,998
Culture and recreation	107,258	85,509
Capital outlay	124,776	68,902
Debt service	<u>9,682</u>	<u>9,682</u>
TOTAL EXPENDITURES	<u>550,560</u>	<u>417,707</u>
REVENUES OVER (UNDER) EXPENDITURES	9,228	91,927
FUND BALANCE JANUARY 1	<u>604,707</u>	<u>512,780</u>
FUND BALANCE DECEMBER 31	<u><u>\$ 613,935</u></u>	<u><u>\$ 604,707</u></u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

TOWN OF STRATTON, COLORADO
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2023

	<u>SPECIAL REVENUE FUNDS</u>		<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
	<u>CONSERVATION TRUST</u>	<u>LODGERS TAX</u>	
ASSETS			
Cash and cash equivalents	\$ 72,758	\$ 40,489	\$ 113,247
Accounts receivable	-	419	419
Due from other funds	-	-	-
TOTAL ASSETS	<u>\$ 72,758</u>	<u>\$ 40,908</u>	<u>\$ 113,666</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Restricted for:			
Parks and recreation	72,758	-	72,758
Assigned for:			
Community and economic development	-	40,908	40,908
TOTAL FUND BALANCE	<u>72,758</u>	<u>40,908</u>	<u>113,666</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 72,758</u>	<u>\$ 40,908</u>	<u>\$ 113,666</u>

TOWN OF STRATTON, COLORADO

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS BALANCE

YEAR ENDED DECEMBER 31, 2023

	<u>SPECIAL REVENUE FUNDS</u>		<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
	<u>CONSERVATION TRUST</u>	<u>LODGERS TAX</u>	
REVENUES			
Taxes	\$ -	\$ 11,375	\$ 11,375
Intergovernmental	8,999	-	8,999
Interest Income	135	35	170
	<u>9,134</u>	<u>11,410</u>	<u>20,544</u>
TOTAL REVENUES			
	9,134	11,410	20,544
EXPENDITURES			
General governmental	-	-	-
Economic development	-	500	500
	<u>-</u>	<u>500</u>	<u>500</u>
TOTAL EXPENDITURES			
	-	500	500
REVENUES OVER (UNDER) EXPENDITURES	9,134	10,910	20,044
FUND BALANCE JANUARY 1	<u>63,624</u>	<u>29,998</u>	<u>93,622</u>
FUND BALANCE DECEMBER 31	<u>\$ 72,758</u>	<u>\$ 40,908</u>	<u>\$ 113,666</u>

TOWN OF STRATTON, COLORADO

BALANCE SHEET

CONSERVATION TRUST SPECIAL REVENUE FUND

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 72,758	\$ 55,247
Due from other funds	-	8,377
	<u>72,758</u>	<u>63,624</u>
TOTAL ASSETS	<u>\$ 72,758</u>	<u>\$ 63,624</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
FUND BALANCE		
Restricted for:		
Parks and recreation	<u>72,758</u>	<u>63,624</u>
	<u>72,758</u>	<u>63,624</u>
TOTAL FUND BALANCE	<u>72,758</u>	<u>63,624</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 72,758</u>	<u>\$ 63,624</u>

TOWN OF STRATTON, COLORADO

CONSERVATION TRUST SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023		VARIANCE	2022
	ACTUAL	BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Intergovernmental	\$ 8,999	\$ 8,000	\$ 999	\$ 8,377
Interest income	135	-	135	76
TOTAL REVENUES	<u>9,134</u>	<u>8,000</u>	<u>1,134</u>	<u>8,453</u>
EXPENDITURES				
Recreation	-	30,000	30,000	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
REVENUES OVER EXPENDITURES	9,134	(22,000)	31,134	8,453
FUND BALANCE JANUARY 1	<u>63,624</u>	<u>63,624</u>	-	<u>55,171</u>
FUND BALANCE DECEMBER 31	<u>\$ 72,758</u>	<u>\$ 41,624</u>	<u>\$ 31,134</u>	<u>\$ 63,624</u>

TOWN OF STRATTON, COLORADO

BALANCE SHEET

LODGERS TAX SPECIAL REVENUE FUND

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 40,489	\$ 29,579
Accounts receivable	419	419
	<u>40,908</u>	<u>29,998</u>
TOTAL ASSETS	<u>\$ 40,908</u>	<u>\$ 29,998</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
FUND BALANCE		
Assigned for:		
Community and economic development	<u>40,908</u>	<u>29,998</u>
	<u>40,908</u>	<u>29,998</u>
TOTAL FUND BALANCE	<u>40,908</u>	<u>29,998</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 40,908</u>	<u>\$ 29,998</u>

TOWN OF STRATTON, COLORADO

LODGERS TAX SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023		VARIANCE	2022
	ACTUAL	BUDGET	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Taxes	\$ 11,375	\$ 12,000	\$ (625)	\$ 11,226
Interest income	35	20	15	22
TOTAL REVENUES	<u>11,410</u>	<u>12,020</u>	<u>(610)</u>	<u>11,248</u>
EXPENDITURES				
Billboards	500	10,500	10,000	-
Other	-	1,500	1,500	-
Contingency reserve	-	10,000	10,000	-
TOTAL EXPENDITURES	<u>500</u>	<u>22,000</u>	<u>21,500</u>	<u>-</u>
REVENUES OVER EXPENDITURES	10,910	(9,980)	20,890	11,248
FUND BALANCE JANUARY 1	<u>29,998</u>	<u>29,998</u>	-	<u>18,750</u>
FUND BALANCE DECEMBER 31	<u>\$ 40,908</u>	<u>\$ 20,018</u>	<u>\$ 20,890</u>	<u>\$ 29,998</u>

PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

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

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

TOWN OF STRATTON, COLORADO

SANITATION PROPRIETARY FUND

BALANCE SHEET

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash	\$ 276,715	\$ 191,764
Grant receivable	390	1,664
Due from other fund	<u>17,839</u>	<u>41,435</u>
TOTAL CURRENT ASSETS	294,944	234,863
NET PROPERTY AND EQUIPMENT	<u>727,986</u>	<u>750,913</u>
TOTAL ASSETS	<u><u>\$ 1,022,930</u></u>	<u><u>\$ 985,776</u></u>
 CURRENT LIABILITIES		
Accounts payable	\$ 390	\$ 2,657
Accrued expenses	1,115	2,340
Due to other fund	39,434	40,317
Loans payable - current maturities	<u>25,127</u>	<u>24,663</u>
TOTAL CURRENT LIABILITIES	66,066	69,977
NONCURRENT LIABILITIES		
Loans payable - net of current maturities	<u>64,909</u>	<u>90,036</u>
TOTAL LIABILITIES	<u>130,975</u>	<u>160,013</u>
 NET POSITION		
Net investment in capital assets	637,950	636,214
Restricted for:		
Operations and maintenance	14,200	24,600
Unrestricted	<u>239,805</u>	<u>164,949</u>
TOTAL NET POSITION	<u>891,955</u>	<u>825,763</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 1,022,930</u></u>	<u><u>\$ 985,776</u></u>

TOWN OF STRATTON, COLORADO

SANITATION PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Charges for services	\$ 138,360	\$ 139,115
OPERATING EXPENSES		
Salaries	16,840	34,250
Employee benefits	151	1,499
Payroll Taxes	755	2,108
Utilities	13,514	16,179
Repairs and maintenance	21,193	39,458
Professional services	976	1,111
Supplies	50	-
Depreciation	22,927	23,061
Miscellaneous	3,210	3,682
TOTAL OPERATING EXPENSES	<u>79,616</u>	<u>121,348</u>
OPERATING INCOME (LOSS)	<u>58,744</u>	<u>17,767</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	439	384
Grant income	8,967	16,908
Interest expense	(1,958)	(2,416)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>7,448</u>	<u>14,876</u>
CHANGE IN NET POSITION	66,192	32,643
NET POSITION JANUARY 1	<u>825,763</u>	<u>793,120</u>
NET POSITION DECEMBER 31	<u>\$ 891,955</u>	<u>\$ 825,763</u>

TOWN OF STRATTON, COLORADO

SANITATION PROPRIETARY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 138,360	\$ 139,115
Cash payments for supplies, goods, services	(41,210)	(57,773)
Cash payments to employees	(18,894)	(36,929)
	<u>78,256</u>	<u>44,413</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Grant proceeds	10,241	15,244
Due from other funds	23,596	(6,745)
Due to other funds	(883)	18,283
	<u>32,954</u>	<u>26,782</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on loan	(24,663)	(24,207)
Interest on debt	(2,035)	(2,492)
	<u>(26,698)</u>	<u>(26,699)</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on savings and other	439	384
	<u>439</u>	<u>384</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
NET CHANGE IN CASH	84,951	44,880
CASH - BEGINNING OF YEAR	191,764	146,884
CASH - END OF YEAR	<u>\$ 276,715</u>	<u>\$ 191,764</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	\$ 58,744	\$ 17,767
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	22,927	23,061
Change in assets and liabilities		
Increase (decrease) in accounts payable	(2,267)	2,657
Increase (decrease) in accrued expenses	(1,148)	928
	<u>\$ 78,256</u>	<u>\$ 44,413</u>
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES		

TOWN OF STRATTON, COLORADO

WATER PROPRIETARY FUND

BALANCE SHEET

DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash	\$ 1,249,552	\$ 1,125,829
Accounts receivable	43,827	47,394
	<u>1,293,379</u>	<u>1,173,223</u>
TOTAL CURRENT ASSETS		
NET PROPERTY AND EQUIPMENT	<u>2,539,359</u>	<u>2,607,555</u>
	<u>\$ 3,832,738</u>	<u>\$ 3,780,778</u>
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 4,164
Accrued expenses	5,162	5,212
Customer deposits	2,693	2,693
Due to other funds	107,772	120,027
Loans payable - current maturities	46,995	46,693
	<u>162,622</u>	<u>178,789</u>
TOTAL CURRENT LIABILITIES		
NONCURRENT LIABILITIES		
Loans payable - net of current maturities	<u>850,905</u>	<u>897,900</u>
	<u>1,013,527</u>	<u>1,076,689</u>
TOTAL LIABILITIES		
NET POSITION		
Net investment in capital assets	1,641,459	1,662,962
Restricted for:		
Operations and maintenance	36,500	35,000
Unrestricted	<u>1,141,252</u>	<u>1,006,127</u>
	<u>2,819,211</u>	<u>2,704,089</u>
TOTAL NET POSITION		
	<u>\$ 3,832,738</u>	<u>\$ 3,780,778</u>
TOTAL LIABILITIES AND NET POSITION		

TOWN OF STRATTON, COLORADO

WATER PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Charges for services	<u>\$ 332,446</u>	<u>\$ 329,344</u>
OPERATING EXPENSES		
Salaries	52,821	50,609
Employee benefits	3,710	4,497
Payroll taxes	3,963	3,754
Utilities	13,860	14,009
Repairs and maintenance	62,356	55,995
Professional services	1,071	640
Supplies	1,587	1,698
Depreciation	68,196	68,396
Miscellaneous	<u>6,340</u>	<u>8,509</u>
TOTAL OPERATING EXPENSES	<u>213,904</u>	<u>208,107</u>
OPERATING INCOME	<u>118,542</u>	<u>121,237</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	1,817	542
Interest expense	<u>(5,237)</u>	<u>(5,535)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(3,420)</u>	<u>(4,993)</u>
CHANGE IN NET POSITION	115,122	116,244
NET POSITION JANUARY 1	<u>2,704,089</u>	<u>2,587,845</u>
NET POSITION DECEMBER 31	<u><u>\$ 2,819,211</u></u>	<u><u>\$ 2,704,089</u></u>

TOWN OF STRATTON, COLORADO

WATER PROPRIETARY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 336,013	\$ 322,733
Cash payments for supplies, goods, services	(89,378)	(77,359)
Cash payments to employees	(60,493)	(55,822)
	<u>186,142</u>	<u>189,552</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Due to other funds	(12,255)	21,637
	<u>(12,255)</u>	<u>21,637</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on loan	(46,693)	(46,396)
Interest on debt	(5,288)	(5,584)
	<u>(51,981)</u>	<u>(51,980)</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on savings	1,817	542
	<u>1,817</u>	<u>542</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
NET CHANGE IN CASH	123,723	159,751
CASH - BEGINNING OF YEAR	<u>1,125,829</u>	<u>966,078</u>
CASH - END OF YEAR	<u><u>\$ 1,249,552</u></u>	<u><u>\$ 1,125,829</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	\$ 118,542	\$ 121,237
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	68,196	68,396
Change in assets and liabilities		
(Increase) decrease in accounts receivable	3,568	(6,611)
Increase (decrease) in accounts payable	(4,164)	4,164
Increase (decrease) in accrued expenses	-	2,366
	<u>186,142</u>	<u>189,552</u>
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$ 186,142</u></u>	<u><u>\$ 189,552</u></u>

TOWN OF STRATTON, COLORADO
COMMUNITY BUILDING PROPRIETARY FUND
BALANCE SHEET
DECEMBER 31, 2023 AND 2022

	2023	2022
CURRENT ASSETS		
Cash	\$ 35,897	\$ 61,335
TOTAL CURRENT ASSETS	35,897	61,335
NET PROPERTY AND EQUIPMENT	366,406	377,040
TOTAL ASSETS	\$ 402,303	\$ 438,375
CURRENT LIABILITIES		
Accounts payable	\$ 6,862	\$ -
Customer deposits	55	55
Due to other funds	6,398	6,398
Unearned revenue	42,406	58,037
TOTAL CURRENT LIABILITIES	55,721	64,490
NET POSITION		
Net investment in capital assets	366,406	377,040
Unrestricted	(19,824)	(3,155)
TOTAL NET POSITION	346,582	373,885
TOTAL LIABILITIES AND NET POSITION	\$ 402,303	\$ 438,375

TOWN OF STRATTON, COLORADO

COMMUNITY BUILDING PROPRIETARY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Charges for services	\$ 8,496	\$ 8,847
OPERATING EXPENSES		
Utilities	10,763	8,590
Repairs and maintenance	19,911	11,058
Supplies	3,621	2,286
Insurance	780	647
Depreciation	16,134	10,686
Miscellaneous	221	320
TOTAL OPERATING EXPENSES	<u>51,430</u>	<u>33,587</u>
OPERATING INCOME (LOSS)	(42,934)	(24,740)
NONOPERATING REVENUES (EXPENSES)		
Grant income	<u>15,631</u>	<u>102,576</u>
CHANGE IN NET POSITION	(27,303)	77,836
NET POSITION JANUARY 1	<u>373,885</u>	<u>296,049</u>
NET POSITION DECEMBER 31	<u>\$ 346,582</u>	<u>\$ 373,885</u>

TOWN OF STRATTON, COLORADO

COMMUNITY BUILDING PROPRIETARY FUND

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 8,496	\$ 8,847
Cash payments for supplies, goods, services	(28,434)	(22,901)
Cash payments to employees	-	-
	<u>-</u>	<u>-</u>
NET CHANGE IN CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(19,938)</u>	<u>(14,054)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers	-	3,498
	<u>-</u>	<u>3,498</u>
NET CHANGE IN CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>3,498</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grant proceeds	-	160,613
Acquisition of capital assets	(5,500)	(102,576)
	<u>-</u>	<u>58,037</u>
NET CHANGE IN CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(5,500)</u>	<u>58,037</u>
NET CHANGE IN CASH	(25,438)	47,481
CASH - BEGINNING OF YEAR	<u>61,335</u>	<u>13,854</u>
CASH - END OF YEAR	<u>\$ 35,897</u>	<u>\$ 61,335</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (42,934)	\$ (24,740)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	16,134	10,686
Change in assets and liabilities		
Increase (decrease) in accounts payable	6,862	-
	<u>6,862</u>	<u>-</u>
NET CHANGE IN CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (19,938)</u>	<u>\$ (14,054)</u>

TOWN OF STRATTON, COLORADO

SANITATION PROPRIETARY FUND

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

YEAR ENDED DECEMBER 31, 2023

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Charges for services	\$ 140,000	\$ 140,000	\$ 138,360	\$ (1,640)
Interest	400	400	439	39
Grant income	91,500	91,500	8,967	(82,533)
TOTAL REVENUES	231,900	231,900	147,766	(84,134)
EXPENDITURES				
Salaries	22,444	22,444	16,840	5,604
Employee benefits	4,530	4,530	151	4,379
Payroll taxes	1,718	1,718	755	963
Utilities	18,750	18,750	13,514	5,236
Repairs and maintenance	55,000	55,000	21,193	33,807
Professional services	8,500	8,500	976	7,524
Supplies	750	750	50	700
Depreciation	-	-	22,927	(22,927)
Miscellaneous	5,740	5,740	3,210	2,530
Capital outlay	25,000	25,000	-	25,000
Interest expense	2,000	2,000	1,958	42
Debt service	24,718	24,718	24,663	55
Grant expenses	50,000	50,000	-	50,000
Contingency reserve	10,750	10,750	-	10,750
TOTAL EXPENDITURES	229,900	229,900	106,237	123,663
REVENUE OVER (UNDER) EXPENDITURES	\$ 2,000	\$ 2,000	41,529	\$ 39,529
ADJUSTMENT TO RECONCILE BUDGETARY BASIS TO GAAP BASIS - ADJUSTMENTS FOR:				
Principal paid on notes			24,663	
CHANGE IN NET POSITION			66,192	
NET POSITION JANUARY 1			825,763	
NET POSITION DECEMBER 31			\$ 891,955	

TOWN OF STRATTON, COLORADO

WATER PROPRIETARY FUND

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

YEAR ENDED DECEMBER 31, 2023

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Charges for services	\$ 540,165	\$ 540,165	\$ 332,446	\$ (207,719)
Interest income	350	350	1,817	1,467
Grant income	150,000	150,000	-	(150,000)
TOTAL REVENUES	690,515	690,515	334,263	(356,252)
EXPENDITURES				
Salaries	71,262	71,262	52,821	18,441
Employee benefits	13,590	13,590	3,710	9,880
Payroll Taxes	5,453	5,453	3,963	1,490
Utilities	19,500	19,500	13,860	5,640
Repairs and maintenance	58,500	58,500	62,356	(3,856)
Professional services	1,000	1,000	1,071	(71)
Supplies	1,250	1,250	1,587	(337)
Depreciation	-	-	68,196	(68,196)
Miscellaneous	7,900	7,900	6,340	1,560
Capital outlay	75,000	75,000	-	75,000
Interest expense	5,300	5,300	5,237	63
Debt service	46,779	46,779	46,693	86
Grant expenses	150,000	150,000	-	150,000
Contingency	60,000	60,000	-	60,000
TOTAL EXPENDITURES	515,534	515,534	265,834	249,700
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	174,981	174,981	68,429	(106,552)
OTHER FINANCING SOURCES (USES)				
TRANSFERS OUT	140,000	140,000	-	(140,000)
CONTRIBUTION	-	-	-	-
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	\$ 314,981	\$ 314,981	68,429	\$ (246,552)
ADJUSTMENT TO RECONCILE BUDGETARY BASIS TO GAAP BASIS - ADJUSTMENTS FOR:				
Principal paid on notes			46,693	
CHANGE IN NET POSITION			115,122	
NET POSITION JANUARY 1			2,704,089	
NET POSITION DECEMBER 31			\$ 2,819,211	

TOWN OF STRATTON, COLORADO

COMMUNITY BUILDING PROPRIETARY FUND

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

YEAR ENDED DECEMBER 31, 2023

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Charges for services	\$ 18,350	\$ 18,350	\$ 8,496	\$ (9,854)
Other income	550	550	-	(550)
Grant income	-	-	15,631	15,631
TOTAL REVENUES	18,900	18,900	24,127	5,227
EXPENDITURES				
Utilities	9,100	9,100	10,763	(1,663)
Repairs and maintenance	7,650	7,650	19,911	(12,261)
Supplies	2,600	2,600	3,621	(1,021)
Insurance	550	550	780	(230)
Depreciation	-	-	16,134	(16,134)
Miscellaneous	-	-	221	(221)
Capital outlay	57,730	57,730	5,500	52,230
TOTAL EXPENDITURES	77,630	77,630	56,930	20,700
REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES	(58,730)	(58,730)	(32,803)	25,927
OTHER FINANCING SOURCES (USES) TRANSFER IN	-	-	-	-
REVENUE OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	<u>\$ (58,730)</u>	<u>\$ (58,730)</u>	(32,803)	<u>\$ 25,927</u>
ADJUSTMENT TO RECONCILE BUDGETARY BASIS TO GAAP BASIS - ADJUSTMENTS FOR:				
Acquisition of capital assets			5,500	
CHANGE IN NET POSITION			(27,303)	
NET POSITION JANUARY 1			373,885	
NET POSITION DECEMBER 31			<u>\$ 346,582</u>	

LOCAL HIGHWAY FINANCE REPORT

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

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/23

This Information From The Records Of: Town of Stratton	Prepared By: Melanee Johnson
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway expenditures:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	\$ -
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	\$ 159,359.00
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	\$ -
2. General fund appropriations	\$ 164,456.00	b. Snow and ice removal	\$ -
3. Other local imposts (from page 2)	\$ 11,529.00	c. Other	\$ 15,426.00
4. Miscellaneous local receipts (from page 2)	\$ -	d. Total (a. through c.)	\$ 15,426.00
5. Transfers from toll facilities		4. General administration & miscellaneous	\$ 30,600.00
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	\$ 2,041.00
a. Bonds - Original Issues		6. Total (1 through 5)	\$ 207,426.00
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	\$ -	a. Interest	
7. Total (1 through 6)	\$ 175,985.00	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	\$ -
C. Receipts from State government (from page 2)	\$ 31,441.00	2. Notes:	
D. Receipts from Federal Government (from page 2)	\$ -	a. Interest	
E. Total receipts (A.7 + B + C + D)	\$ 207,426.00	b. Redemption	
		c. Total (a. + b.)	\$ -
		3. Total (1.c + 2.c)	\$ -
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	\$ 207,426.00

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

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

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	\$ -	\$ 207,426.00	\$ 207,426.00	\$ -	\$ -

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
 COLORADO
 YEAR ENDING (mm/yy):
 12/23

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	\$ 11,529.00	g. Other Misc. Receipts	
6. Total (1. through 5.)	\$ 11,529.00	h. Other	
c. Total (a. + b.)	\$ 11,529.00	i. Total (a. through h.)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes (from Item I.C.5.)	\$ 31,441.00	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	\$ -	d. Federal Transit Administration	
d. DOLA Grant		e. U.S. Corps of Engineers	
e. Other		f. Other Federal	
f. Total (a. through e.)	\$ -	g. Total (a. through f.)	\$ -
4. Total (1. + 2. + 3.f)	\$ 31,441.00	3. Total (1. + 2.g)	\$ -
<i>(Carry forward to page 1)</i>		<i>(Carry forward to page 1)</i>	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

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

Notes and Comments: