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TOWN OF NATURITA, COLORADO

FINANCIAL STATEMENTS
AND THE INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

TOWN OF NATURITA, COLORADO
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December 31, 2024

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and the Board of Trustees
Town of Naturita
Naturita, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Naturita, Colorado (the Town) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town, 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, business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Emphasis of Matter

As described in Note 8 to the financial statements, as of and for the year ended December 31, 2023, have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents 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 information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying budgetary comparison schedules in the table of contents and the 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 the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DMC Auditing and Consulting, LLC

DMC Auditing and Consulting, LLC
September 30, 2025
Bailey, Colorado

TOWN OF NATURITA
Management's Discussion and Analysis
Fiscal Year Ended December 31, 2024

As management of the Town of Naturita (the "Town"), offers readers of the Town's basic financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2024. The Town encourages readers to consider the information presented here in conjunction with additional information provided in the financial statements.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities and deferred inflows of resources by $4,656,862 (i.e. net position) as of December 31, 2024, an increase of $355,556 in comparison to the prior year, which includes a restatement of $282,882 for corrections of errors to beginning net position.
- Governmental funds reported combined ending fund balances of $2,108,650, an increase of $474,036 in comparison with the prior year, which includes a $60,081 restatement for a correction of errors to beginning fund balance.
- The Town's fund balance for the General Fund was $2,012,950, an increase of $472,715 in comparison to the prior year.
- General property tax, sales tax, lodging tax, and franchise fees totaled $706,580, or 93% of general revenues.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 a private-sector business.

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

The **statement of activities** presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

The 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 government administration, public works, and culture and recreation. The Business-type Activity of the Town was the Water Fund.

Fund Financial Statements

A.fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *short-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. The accounting method is called *modified accrual* accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The Town maintains one major government fund, the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in fund balance for the General Fund. The Town reported two nonmajor funds, Conservation Trust Fund and Lodging Tax Fund.

Proprietary Funds -The Town maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses a separate enterprise fund to account for the Water Fund.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the year ended December 31, 2024, the Town's combined assets exceeded liabilities and deferred inflows of resources by $4,656,862. Of this amount, $1,986,950 is unrestricted and available to meet the Town's ongoing financial obligations.

The largest portion of net position is invested in capital assets (net of related debt) of $2,548,212 (55% of net position), which is an increase of 4% compared to 2023. This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the net investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's governmental and business-type net position for 2024 and 2023:

	Governmental Activities		Business Type Activities	
Assets	2024	2023	2024	2023
Current and other assets	$ 2,168,410	$ 1,631,525	$ 2,537,544	$ 1,301,298
Capital Assets	$ 2,548,212	$ 2,443,891	$ 1,171,870	$ 1,232,615
Total Assets	$ 4,716,622	$ 4,075,416	$ 2,537,544	$ 2,533,913
Current Liabilities	$ 7,476	$ 4,356	$ 14,703	$ 101,846
Non-Current Liabilities			22,602	29,386
Total Liabilities	$ 7,476	$ 4,356	$ 37,305	$ 131,232
Deferred Inflow of Resources				
Deferred Property Tax Revenue	$ 52,284	$ 52,636	$ -	$ -
Net Position				
Net Investment in Capital Assets	$ 2,548,212	$ 2,443,891	$ 1,149,268	$ 1,203,229
Restricted	$ 121,700	$ 36,735		
Unrestricted	$ 1,986,950	$ 1,480,678	$ 1,350,971	$ 1,199,452
Total Net Position	$ 4,656,862	$ 4,018,424	$ 2,500,239	$ 2,402,681

An additional portion of net position, $121,700, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $1,986,950 (43% of net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

Governmental and business-type activities increased the Town's net position by $336,658 in 2024.

	Governmental Activities		Business-Type Activities	
Revenues	2024	2023	2024	2023
Program Revenues				
Charges for Services	$ 67,553	$ 43,444	$ 467,780	$ 485,140
Operating Grants	$ 46,169	$ 6,791		$ 519,785
Capital Grants	$ 15,000	$ 373,683	$ 104,810	$ -
General Revenues				
Property Taxes	$ 70,621	$ 47,492		
Specific Ownership	$ 6,568	$ 7,298		
Sales and Use Tax	$ 614,548	$ 571,456	$ 38,954	
Franchise Taxes	$ 7,874	$ -		
Lodging Tax	$ 6,969	$ 13,205		
Miscellaneous	$ 17,983	$ 45,268	$ 29,028	
Interest Income	$ 38,538	$ 20,884		$ 22,700
Totals	$ 891,823	$ 1,129,521	$ 640,572	$ 1,027,625
Expenses				
General Government	$ 218,695	$ 173,808		
Public Works	$ 174,245	$ 104,048	$ 659,470	
Culture and Recreation	$ 89,792	$ 76,910		
Public Safety	$ 53,535	$ 41,039		
Utilities				$ 892,217
Total Expenses	$ 1,592,650	$ 395,805	$ 659,470	$ 892,217
Increase in Net Position	$ 355,556	$ 733,716	$ (18,898)	$ 135,408
Beginning, Original	$ 4,018,424	$ 3,284,777	$ 2,402,681	$ 1,905,361
Restatement – Correction	$ 282,882		$ 116,456	
Beginning, as Restated	$ 4,301,306	$ 3,284,777	$ 2,519,137	$ 1,905,361
Ending	$ 4,656,862	$ 4,018,424*	$ 2,500,239	$ 2,402,681*

*This balance was restated in 2024. See Note 8 of the Notes to the Financial Statements for the restatement and explanation.

Business-type Activities

Business-type activities for the year resulted in a decrease in net position of ($18,898), which includes a restatement for a correction of errors of $116,456. Capital grants and contributions accounted for 16% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows. and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As of the end of 2024, the. Town's governmental funds reported combined ending fund balances of $2,108,650. Of the combined ending fund balances for all governmental funds 94% of this total amount, $1,986,950, constitutes unassigned fund balance, which is available for appropriation at the Town's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is already committed to meeting a State constitution mandated emergency reserve of $26,000.

The Town has one major governmental fund; the General Fund, which is the primary operating fund for the Town. At the end of 2024, the restricted fund balance of the Lodging Tax Fund and Conservation Trust Fund was $31,878 and $63,822, respectively. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned fund balance of the Town's decreased by $520,572 compared to 2023.

Proprietary funds. The Town's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Town has one enterprise fund, the Water Fund. At the end of 2024, the Water Fund represented the following net position amounts:

Fund:	Water
Unrestricted net position	$1,149,268
Total net position	$1,350,971
Increase (Decrease) in net position	($18,898)

CAPITAL ASSET AND DEBT ADMINISTRATION

The Town's net investment in capital assets for its governmental and business-type activities as of December 31, 2024, was $3,720,082, an increase of $43,576 from the prior year. As required by GASB 34, the net investment in capital assets includes land, buildings, systems, infrastructure, and equipment.

Capital assets activity for the year ended December 31, 2024, was identified in Note 4 of the Notes to the Financial Statements and as follows:

	Balance, as Restated 12/31/2023	Additions	Deletions	Balance 12/31/2024
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 149,253	$ -	$ -	$ 149,253
Capital Assets, Being Depreciated:				
Buildings	238,481	-	-	238,481
Equipment	1,129,214	-	47,527	1,081,687
Infrastructure	1,893,519	-	-	1,893,519
Total Capital Assets, Being Depreciated	3,261,214	-	47,527	3,213,687
Less Accumulated Depreciation:				
Buildings	(188,560)	(4,197)	-	(192,757)
Equipment	(273,683)	(66,540)	(47,527)	(292,696)
Infrastructure	(281,532)	(47,743)	-	(329,275)
Total Accumulated Depreciation	(743,775)	(118,480)	(47,527)	(814,728)
Total Capital Assets, Being Depreciated, Net	2,517,439	(118,480)	-	2,398,959
Capital Assets, Governmental Activities, Net	$ 2,666,692	$ (118,480)	$ -	$ 2,548,212

	Balance 12/31/2023	Additions	Deletions	Balance 12/31/2024
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 67,870	$ -	$ -	$ 67,870
Water Shares	10,000	-	-	10,000
Total Capital Assets, Not Being Depreciated	77,870	-	-	77,870
Capital Assets, Being Depreciated:				
Buildings and Systems	3,577,890	-	-	3,577,890
Equipment	109,272	-	-	109,272
Total Capital Assets, Being Depreciated	3,687,162	-	-	3,687,162
Less Accumulated Depreciation:				
Buildings and Systems	(2,500,060)	(49,588)	-	(2,549,648)
Equipment	(32,357)	(11,157)	-	(43,514)
Total Accumulated Depreciation	(2,532,417)	(60,745)	-	(2,593,162)
Total Capital Assets, Being Depreciated, Net	1,154,745	(60,745)	-	1,094,000
Capital Assets, Business-Type Activities, Net	$ 1,232,615	$ (60,745)	$ -	$ 1,171,870

	Balance 12/31/2023	Additions	Reductions	Balance 12/31/2024	Due Within One Year
Governmental Activities					
CWRPDA Sewer Loan	$ 29,386	$ -	$ 6,784	$ 22,602	$ 6,702

Sewer Plant Loan
Colorado Water Resources & Power Development Authority (CWRPDA) loan, in the original issue amount of $700,000 with $500,000 forgiven at loan closing, was issued at the loan closing on June 4, 2012. The remaining loan was $200,000 with interest there on at the rate of 1.0% per annum.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Town of Naturita. For additional information or questions related to this report please contact the following:

Town of Naturita
222 E. Main Street
P.O. Box 505
Naturita, CO 81422
970-865-2286

BASIC FINANCIAL STATEMENTS

TOWN OF NATURITA, COLORADO
STATEMENT OF NET POSITION
December 31, 2024

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and Investments	$ 2,011,401	$ 1,311,812	$ 3,323,213
Accounts Receivable	9,922	51,049	60,971
Taxes Receivable	147,087	2,813	149,900
Capital Assets, *Not Being Depreciated*	149,253	77,870	227,123
Capital Assets, *Net of Accumulated Depreciation*	2,398,959	1,094,000	3,492,959
TOTAL ASSETS	4,716,622	2,537,544	7,254,166
LIABILITIES			
Current Liabilities			
Accounts Payable	7,476	11,253	18,729
Unearned Revenues	-	3,450	3,450
Noncurrent Liabilities			
Due Within One Year	-	6,702	6,702
Due in More Than One Year	-	15,900	15,900
TOTAL LIABILITIES	7,476	37,305	44,781
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	52,284	-	52,284
NET POSITION			
Net Investment in Capital Assets	2,548,212	1,149,268	3,697,480
Restricted for:			
Emergencies	26,000	-	26,000
Conservation Trust	63,822	-	63,822
Marketing and Promotion	31,878	-	31,878
Unrestricted	1,986,950	1,350,971	3,337,921
TOTAL NET POSITION	$ 4,656,862	$ 2,500,239	$ 7,157,101

TOWN OF NATURITA, COLORADO
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
					PRIMARY GOVERNMENT		
FUNCTIONS / PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT							
Governmental Activities							
General Government	$ 218,695	$ 57,225	$ 13,781	$ 15,000	$ (132,689)	$ -	$ (132,689)
Public Safety	53,535	8,493	26,442	-	(18,600)	-	(18,600)
Public Works	174,245	1,835	-	-	(172,410)	-	(172,410)
Culture and Recreation	89,792	-	5,946	-	(83,846)	-	(83,846)
Total Governmental Activities	536,267	67,553	46,169	15,000	(407,545)	-	(407,545)
Business-Type Activities							
Water	659,470	467,780	-	104,810	-	(86,880)	(86,880)
TOTAL PRIMARY GOVERNMENT	$ 1,195,737	$ 535,333	$ 46,169	$ 119,810	(407,545)	(86,880)	(494,425)
	GENERAL REVENUES						
	Property Taxes				70,621	-	70,621
	Specific Ownership Taxes				6,568	-	6,568
	Sales, Use, and Marijuana Taxes				614,548	38,954	653,502
	Lodging Tax				6,969	-	6,969
	Franchise Fees				7,874	-	7,874
	Investment Income				38,538	29,028	67,566
	Miscellaneous				17,983	-	17,983
	TOTAL GENERAL REVENUES				763,101	67,982	831,083
	CHANGE IN NET POSITION				355,556	(18,898)	336,658
	NET POSITION, Beginning, as Originally Stated				4,018,424	2,402,681	6,421,105
	Restatement - Correction of Errors				282,882	116,456	399,338
	NET POSITION, Beginning, as Restated				4,301,306	2,519,137	6,820,443
	NET POSITION, Ending				$ 4,656,862	$ 2,500,239	$ 7,157,101

TOWN OF NATURITA, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

	GENERAL	NONMAJOR FUNDS: CONSERVATION TRUST FUND	NONMAJOR FUNDS: LODGING TAX FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	$ 1,915,701	$ 63,822	$ 31,878	$ 2,011,401
Taxes Receivable	147,087	-	-	147,087
Accounts Receivable	9,922	-	-	9,922
			-	
TOTAL ASSETS	$ 2,072,710	$ 63,822	$ 31,878	$ 2,168,410
LIABILITIES, DEFERRED INFLOWS OF LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 7,476	$ -	$ -	$ 7,476
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	52,284	-	-	52,284
FUND BALANCES				
Restricted for:				
Emergencies	26,000	-	-	26,000
Conservation Trust	-	63,822	-	63,822
Marketing and Promotion	-	-	31,878	31,878
Unassigned	1,986,950	-	-	1,986,950
TOTAL FUND BALANCES	2,012,950	63,822	31,878	2,108,650
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 2,072,710	$ 63,822	$ 31,878	$ 2,168,410

TOWN OF NATURITA, COLORADO
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2024

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

Total Fund Balances of Governmental Funds	$	2,108,650
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		2,548,212
Total Net Position of Governmental Activities	$	4,656,862

TOWN OF NATURITA, COLORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2024

	GENERAL	CONSERVATION TRUST FUND	LODGING TAX FUND	TOTAL
REVENUES				
Taxes	$ 699,611	$ -	$ 6,969	$ 706,580
Intergovernmental	81,764	5,946	-	87,710
Licenses and Permits	9,060	-	-	9,060
Grants	19,845	-	-	19,845
Charges for Services	8,493	-	-	8,493
Investment Income	37,150		632	37,782
Miscellaneous	17,983	756	3,614	22,353
TOTAL REVENUES	873,906	6,702	11,215	891,823
EXPENDITURES				
Current				
General Government	188,729	-	16,072	204,801
Public Safety	52,968			52,968
Public Works	99,858	-	-	99,858
Culture and Recreation	46,266	-	-	46,266
Grants	2,051			2,051
Other	4,645	-	-	4,645
Capital Outlay	7,198	-	-	7,198
TOTAL EXPENDITURES	401,715	-	16,072	417,787
CHANGE IN FUND BALANCES	472,191	6,702	(4,857)	474,036
FUND BALANCES, Beginning, as Originally Stated	1,480,678	57,120	36,735	1,574,533
Restatement - Correction of Errors	60,081	-	-	60,081
FUND BALANCES, Beginning, as Restated	1,540,759	57,120	36,735	1,634,614
FUND BALANCES, Ending	$ 2,012,950	$ 63,822	$ 31,878	$ 2,108,650

TOWN OF NATURITA, COLORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

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

Net Change in Fund Balances of Governmental Funds	$	474,036
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		(118,480)
Change in Net Position of Governmental Activities	$	355,556

TOWN OF NATURITA, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2024

	BUSINESS-TYPE ACTIVITIES WATER FUND
ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 1,311,812
Accounts Receivable	51,049
Other Receivable	2,813
Total Current Assets	1,365,674
Noncurrent Assets	
Capital Assets, *Not Being Depreciated*	77,870
Capital Assets, *Net of Accumulated Depreciation*	1,094,000
Total Noncurrent Assets	1,171,870
TOTAL ASSETS	2,537,544
LIABILITIES	
Current Liabilities	
Accounts Payable	11,253
Unearned Revenues	3,450
Note Payable, Due Within One Year	6,702
Total Current Liabilities	21,405
Noncurrent Liabilities	
Note Payable, Due in More Than One Year	15,900
TOTAL LIABILITIES	37,305
NET POSITION	
Net Investment in Capital Assets	1,149,268
Unrestricted	1,350,971
TOTAL NET POSITION	$ 2,500,239

TOWN OF NATURITA, COLORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND
Year Ended December 31, 2024

	BUSINESS-TYPE ACTIVITIES
	WATER FUND
OPERATING REVENUES	
Charges for Services	$ 467,780
OPERATING EXPENSES	
Personnel Services	219,924
Operations	174,762
Purchased Services	192,412
Other Services	11,495
Depreciation	60,745
TOTAL OPERATING EXPENSES	659,338
NET OPERATING INCOME (LOSS)	(191,558)
NONOPERATING REVENUES (EXPENSES)	
Grants	104,810
Marijuana Excise Tax	38,954
Investment Income	29,028
Interest Expense	(132)
TOTAL NONOPERATING REVENUES (EXPENSES)	172,660
CHANGE IN NET POSITION	(18,898)
NET POSITION, Beginning, as Originally Stated	2,402,681
Restatement - Correction of Errors	116,456
NET POSITION, Beginning, as Restated	2,519,137
NET POSITION, Ending	$ 2,500,239

TOWN OF NATURITA, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended December 31, 2024

	BUSINESS-TYPE ACTIVITIES WATER FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from User Charges	$ 461,662
Cash Payments to Employees	(219,952)
Cash Payments to Suppliers	(414,789)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(173,079)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Taxes Received	39,073
Grants Received	135,015
Net Transfers from (to) Other Funds	(34,129)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	139,959
CASH FLOWS FROM INVESTING ACTIVITES	
Debt Service Payments	(6,916)
Investment Income	29,028
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	22,112
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,008)
CASH AND CASH EQUIVALENTS, Beginning	1,322,820
CASH AND CASH EQUIVALENTS, Ending	$ 1,311,812
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Net Operating Income (Loss)	(191,558)
Depreciation Expense	60,745
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) Decrease in Accounts Receivable	(6,568)
Increase (Decrease) in Accounts Payable	(36,120)
Increase (Decrease) in Accrued Salaries	(28)
Increase (Decrease) in Deferred Revenues	450
Total Adjustments	(42,266)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITES	$ (173,079)

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Town of Naturita, Colorado (the Town) conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's significant policies.

Reporting Entity

The Town was formed in September 1950. The governing body of the Town is an elected seven-member Board of Trustees, headed by a mayor. The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the Town. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the Town. Legally separate organizations for which the Town is financially accountable are considered part of the reporting entity. Financial accountability exists if the Town appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if the organization has the potential to provide benefits to, or impose financial burdens on, the Town.

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

In the fund financial statements, the Town reports the following nonmajor governmental funds:

The *Lodging Tax Fund* is a special revenue fund that accounts for lodging tax revenues. The revenues must be expended on advertising and marketing of local tourism, as required by C.R.S. 30-11-107.5.

The *Conservation Trust Fund* is a special revenue fund that accounts for the proceeds of lottery funds received from the State of Colorado.

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 fund:

The *Utility Fund* was established to account for all operations of the Town's water and sewer services. It is primarily financed by user charges.

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from 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 proprietary fund are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position

Cash and Investments – The Town utilizes the pooled cash concept whereby cash balances of each of the Town's funds are pooled and invested by the Town. Investments are reported at fair value. For purposes of the statement of cash flows, cash equivalents include investments with original maturities of three months or less.

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property taxes levied in the current year for collection in the subsequent year are recorded as receivables and deferred inflows of resources at year end. Taxes are due in the subsequent year on April 30, or in two installments on February 28 and June 15. Taxes are collected by the County Treasurer and remitted to the Town on a monthly basis. Grant reimbursements not received before year-end for which eligibility has been met and expenditures have been incurred are reported as grants receivable.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position (Continued)

Capital Assets - Capital assets include land, buildings, plant, infrastructure, equipment and right-to-use lease assets. These are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. They are also reported in the proprietary fund in the fund financial statements.

Capital assets are defined by the Town as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Buildings and Improvements	40 years
Utility Plant and System	15 – 50 years
Equipment	3 – 10 years
Infrastructure	40 years

Unearned Revenue – Unearned revenues include water bill customer prepayments and deposits that have been collected for future periods and not yet recognized as revenue.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and accounting losses resulting from debt refundings are deferred and amortized over the life of the debt using the effective interest method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

Compensated Absences – Any unused vacation and sick leave is paid out at the end of the fiscal year. Sick leave used during the year is insignificant to the financial statements and, therefore, compensated absences liability is not recorded as a liability at year-end.

Net Position/Fund Balances - In the government-wide financial statements, net position is restricted when constraints placed on the use of resources are externally imposed. Governmental fund balances are classified as restricted when constraints are placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments. Committed fund balances include resources which are subject to limitations the Town imposes on itself by action of the Town's Board of Trustees through ordinances. Committed fund balances also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Commitments may be established, modified, or rescinded only through ordinances approved by the Town's Board of Trustees. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed. Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications.

The Board of Trustees is authorized to informally assign amounts to a specific purpose and has assigned this authority to the Town Manager or other designee. Such fund balance assignments are reported in the governmental fund financial statements.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance / Net Position (Continued)

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

Property Taxes

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

NOTE 2: Cash and Investments

At December 31, 2024, the Town had the following cash and investments:

Cash on Hand	$ 132
Deposits	3,322,081
Total	$ 3,322,213

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2024, the Town had bank deposits of $3,068,618 collateralized with securities held by the financial institution's agent but not in the Town's name.

NOTE 3: 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 purchases commercial insurance for its workers' compensation claims.

The Town participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

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

NOTE 3: Risk Management (Continued)

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

NOTE 4: Capital Assets

Capital assets activity for governmental activities for the fiscal year ended December 31, 2024, is summarized, as follows:

	Balance, as Restated 12/31/2023	Additions	Deletions	Balance 12/31/2024
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 149,253	$ -	$ -	$ 149,253
Capital Assets, Being Depreciated:				
Buildings	238,481	-	-	238,481
Equipment	1,129,214	-	47,527	1,081,687
Infrastructure	1,893,519	-	-	1,893,519
Total Capital Assets, Being Depreciated	3,261,214	-	47,527	3,213,687
Less Accumulated Depreciation:				
Buildings	(188,560)	(4,197)	-	(192,757)
Equipment	(273,683)	(66,540)	(47,527)	(292,696)
Infrastructure	(281,532)	(47,743)	-	(329,275)
Total Accumulated Depreciation	(743,775)	(118,480)	(47,527)	(814,728)
Total Capital Assets, Being Depreciated, Net	2,517,439	(118,480)	-	2,398,959
Capital Assets, Governmental Activities, Net	$ 2,666,692	$ (118,480)	$ -	$ 2,548,212

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

Public Safety	$ 567
Public Works	74,387
Culture and Recreation	43,526
Total	$ 118,480

NOTE 4: Capital Assets (Continued)

Capital assets activity for business-type activities for the fiscal year ended December 31, 2024, is summarized, as follows:

	Balance, as Restated 12/31/2023	Additions	Deletions	Balance 12/31/2024
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	$ 67,870	$ -	$ -	$ 67,870
Water Shares	10,000	-	-	10,000
Total Capital Assets, Not Being Depreciated	77,870	-	-	77,870
Capital Assets, Being Depreciated:				
Buildings and Systems	3,577,890	-	-	3,577,890
Equipment	109,272	-	-	109,272
Total Capital Assets, Being Depreciated	3,687,162	-	-	3,687,162
Less Accumulated Depreciation:				
Buildings and Systems	(2,500,060)	(49,588)	-	(2,549,648)
Equipment	(32,357)	(11,157)	-	(43,514)
Total Accumulated Depreciation	(2,532,417)	(60,745)	-	(2,593,162)
Total Capital Assets, Being Depreciated, Net	1,154,745	(60,745)	-	1,094,000
Capital Assets, Business-Type Activities, Net	$ 1,232,615	$ (60,745)	$ -	$ 1,171,870

Restatement is disclosed in Note 8 of the Notes to the Financial Statements.

NOTE 5: Long-Term Debt

The following is a summary of long-term debt transactions of the business-type activities for the year ended December 31, 2024:

	Balance 12/31/2023	Additions	Reductions	Balance 12/31/2024	Due Within One Year
Governmental Activities					
CWRPDA Sewer Loan	$ 29,386	$ -	$ 6,784	$ 22,602	$ 6,702

Sewer Plant Loan

Colorado Water Resources & Power Development Authority (CWRPDA) loan, in the original issue amount of $700,000 with $500,000 forgiven at loan closing, was issued at the loan closing on June 4, 2012. The remaining loan was $200,000 with interest there on at the rate of 1.0% per annum. The full amount of the loan of $200,000 was required to be recorded at closing, with the undistributed funds recorded as a grant receivable. An adjustment of $69,936 was made to the loan during 2014 for unused loan proceeds. Principal and interest are payable May 1 and November 1, with the final payment due May 1, 2028.

The Town is required to maintain an operations and maintenance reserve and rate covenants sufficient to pay the operation and maintenance costs, 110% of the debt service, debt service reserve maintenance, and any other annual obligations or liens. At December 31, 2024, the Town is in compliance with these requirements.

NOTE 5: Long-Term Debt (Continued)

Debt service payments to maturity are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 6,702	$ 209	$ 6,911
2026	6,769	142	6,911
2027	6,837	74	6,911
2028	2,294	11	2,305
Total	$ 22,602	$ 436	$ 23,038

NOTE 6: Employee Retirement Plan

Defined Contribution Plan

The Town has a defined contribution plan for its employees which is administered by the Colorado Retirement Association (CRA). In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Under the defined contribution plan, the Town has agreed to pay $150 per month into the plan for qualifying employees. Employees are eligible to participate in the plan following one year of employment. The plan provides retirement benefits based upon the employee's vested account. A participant becomes 100% vested upon completion of five years of covered service. Amounts forfeited by employees who leave employment before they become fully vested are divided up among the remaining participants in the plan. Under the plan, employees direct the investment of the contributions among several investment options available through an outside plan administrator. For the year ended December 31, 2024, the Town contributed $8,400 to the plan.

NOTE 7: Commitments and Contingencies

Claims and Judgments

The Town participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Town may be required to reimburse the grantor government. At December 31, 2024, significant amounts of grant expenditures have not been audited but management believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Town.

Tabor Amendment

In November 1992, Colorado voters passed Article X, Section 20 (the Amendment) to the State Constitution which limits state and local government taxing powers and imposes spending limits. On April 5, 1994, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2024, the emergency reserve of $26,000 was reported as restricted fund balance in the General Fund.

Litigation

The Town from time to time is involved in various legal matters. In the opinion of the Town's counsel, there are no pending legal issues that would have a material adverse effect on the financial condition of the Town.

NOTE 8: Restatement – Corrections of Errors

The Town identified corrections of errors to the prior year in the Governmental-Wide, Governmental Fund, and Proprietary Fund financial statements for the prior fiscal year ended December 31, 2023. Correction was required for the beginning net position and fund balances of the government-wide, governmental funds, and proprietary fund financial statements to correct accrued salaries, charges for services, grant revenue, tax revenue, capital assets and unearned revenues for the fiscal year ended December 31, 2023, in the following amounts. The corrections related to revenue recognition in the proper period based on GASB Statement No. 33, incurring expenditures in the proper period, correction of unearned revenues, and correction of capital assets based on the Town's policy.

	General Fund	Total Governmental Funds	Governmental Activities	Business-Type Activities	Total
Net Position/Fund Balance, Beginning, as Originally Stated	$ 1,480,678	$ 1,574,533	$ 4,018,424	$ 2,402,681	$ 6,421,105
Accrued Salaries	(4,334)	(4,334)	(4,334)	(914)	(5,248)
Charges for Services	-	-	-	36,055	36,055
Tax Revenue	64,415	64,415	64,415	(1,249)	63,166
Grant Revenue	-	-	-	30,205	30,205
Capital Assets, Net	-	-	222,801	-	222,801
Unearned Revenues	-	-	-	52,359	52,359
Net Position/Fund Balance, Beginning as Restated	$ 1,540,759	$ 1,634,614	$ 4,301,306	$ 2,519,137	$ 6,820,443

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NATURITA, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes			
Property Taxes	$ 50,730	$ 70,621	$ 19,891
Specific Ownership Taxes	6,664	6,568	(96)
Sales and Use Tax	536,590	614,548	77,958
Franchise Fees	7,767	7,874	107
Total Taxes	601,751	699,611	97,860
Intergovernmental			
State Severance Tax	11,842	4,372	(7,470)
Federal Mineral Lease	896	436	(460)
Highway Users Tax	17,500	26,442	8,942
Cigarette Tax	600	514	(86)
Other	-	50,000	50,000
Total Intergovernmental	30,838	81,764	50,926
Licenses and Permits	9,680	9,060	(620)
Fines and Forfeitures	5,800	8,493	2,693
Other			
Investment Income	-	37,150	37,150
Grants	51,200	19,845	(31,355)
Miscellaneous	1,010	17,983	16,973
Total Other Revenues	52,210	74,978	22,768
TOTAL REVENUES	700,279	873,906	173,627

NOTE 1: Stewardship, Compliance, and Accountability

Budgetary Information

Budgets are legally adopted for all funds of the Town. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures. The Town adheres to the following procedures to establish the budgetary information reflected in the financial statements.

- Management submits to the Board of 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 31, the budget is legally enacted through passage of an ordinance.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.
- Budget appropriations lapse at the end of each year.

Budget Compliance

At December 31, 2024, the Town's Lodging Tax Fund actual expenditures exceeded budgeted appropriations by $17. This may be a violation of state statutes.

SUPPLEMENTARY INFORMATION

TOWN OF NATURITA, COLORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
EXPENDITURES			
General Government	326,314	188,729	137,585
Public Safety	77,768	52,968	24,800
Public Works	108,668	99,858	8,810
Culture and Recreation	74,500	46,266	28,234
Grants	-	2,051	(2,051)
Capital Outlay	96,000	7,198	88,802
Other	-	4,645	(4,645)
TOTAL EXPENDITURES	683,250	401,715	281,535
CHANGE IN FUND BALANCE	17,029	472,191	455,162
FUND BALANCE, Beginning, as Originally Stated	523,365	1,480,678	957,313
Restatement - Correction of Errors	-	60,081	60,081
FUND BALANCE, Beginning, as Restated	523,365	1,540,759	1,017,394
FUND BALANCE, Ending	$ 540,394	$ 2,012,950	$ 1,472,556

TOWN OF NATURITA, COLORADO
BUDGETARY COMPARISON SCHEDULE
LODGING TAX FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Lodging Tax	$ 12,320	$ 6,969	$ (5,351)
Lodging Donations	-	3,614	3,614
Investment Income	-	632	632
TOTAL REVENUES	12,320	11,215	(1,105)
EXPENDITURES			
General Government	16,055	16,072	(17)
CHANGE IN FUND BALANCE	(3,735)	(4,857)	(1,122)
FUND BALANCE, Beginning	11,078	36,735	25,657
FUND BALANCE, Ending	$ 7,343	$ 31,878	$ 24,535

TOWN OF NATURITA, COLORADO
BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Intergovernmental	$ 5,252	$ 5,946	$ 694
Investment Income	-	756	756
TOTAL REVENUES	5,252	6,702	1,450
EXPENDITURES			
Culture and Recreation	3,000	-	3,000
CHANGE IN FUND BALANCE	2,252	6,702	4,450
FUND BALANCE, Beginning	26,475	57,120	30,645
FUND BALANCE, Ending	$ 28,727	$ 63,822	$ 35,095

TOWN OF NATURITA, COLORADO
BUDGETARY COMPARISON SCHEDULE
UTILITY FUND (BUDGETARY BASIS TO GAAP BASIS)
Year Ended December 31, 2024

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
OPERATING REVENUES			
Charges for Services	$ 450,350	$ 467,780	$ 17,430
OPERATING EXPENSES			
Personnel Services	190,211	219,924	(29,713)
Operations	100,184	174,762	(74,578)
Purchased Services	259,661	192,412	67,249
Other Services	-	11,495	(11,495)
Capital Outlay	5,297,270	-	5,297,270
TOTAL OPERATING EXPENSES	5,847,326	598,593	5,248,733
NET OPERATING INCOME (LOSS)	(5,396,976)	(130,813)	5,266,163
NONOPERATING REVENUES (EXPENDITURES)			
Grants	4,583,112	104,810	(4,478,302)
Marijuana Excise Tax	42,267	38,954	(3,313)
Investment Income	-	29,028	29,028
Debt Service	(10,000)	(6,916)	3,084
TOTAL NONOPERATING REVENUES (EXPENDITURES)	4,615,379	165,876	(4,449,503)
NET INCOME (LOSS) BEFORE CAPITAL CHARGES	(781,597)	35,063	816,660
CAPITAL CHARGES			
Connection Fees	8,000	-	(8,000)
CHANGE IN NET POSITION, Budgetary Basis	$ (773,597)	$ 35,063	$ 808,660
RECONCILIATION TO GAAP BASIS			
Debt Service - Principal		6,784	
Depreciation		(60,745)	
CHANGE IN NET POSITION, GAAP Basis		(18,898)	

COMPLIANCE SECTION

STATE COMPLIANCE

COLORADO
Department of Transportation

Annual Highway Finance Report - CY24

Email address: thnaturita@nntcwireless.com
City/County: Naturita

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	$	0.00
3. Other local imposts: *from A.3. 'Total' below)*	$	49,975.00
4. Miscellaneous local receipts: *from A.4. 'Total' below)*	$	7,260.55
5. Transfers from toll facilities	$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	$	0.00
b.¦Bonds - Refunding Issues:	$	0.00
c. Notes:	$	0.00
SubTotal:	$	57,235.55

B. Private Contributions	$	0.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3.¦ Other local imposts

a. Property Taxes &and Assessments	$ 0.00
b. Other Local Imposts	
1. Sales Taxes:	$ 43,407.00
2. Infrastructure and Impact Fees:	$ 0.00
3. Liens:	$ 0.00
4. Licenses:	$ 0.00
5. Specific Ownership and/or Other:	$ 6,568.00
Total: *(a + b) carried to 'Other local imposts' above)*	$ 49,975.00

A.4.¦ Miscellaneous local receipts

a. Interest on Investments:	$ 0.00
b. Traffic fines and Penalities:	$ 7,260.55
c. Parking Garage Fees:	$ 0.00
d. Parking Meter Fees:	$ 0.00
e. Sale of Surplus Property:	$ 0.00
f. Charges for Services:	$ 0.00
g. Other Misc. Receipts:	$ 0.00
h. Other:	$ 0.00
Total: *(a through h) carried to 'Misc local receipts' above)*	$ 7,260.55

C. Receipts from State Government

1. Highway User Taxes:	$ 26,442.00
3. Other State funds:	
c. Motor Vehicle Registrations:	$ 2,358.00
d. Other (Specify): Comments: undefined	$ 0.00
e. Other (Specify): Comments: undefined	$ 0.00
Total: *(1+3c,d,e)*	$ 28,800.00

D. Receipts from Federal Government

2. Other Federal Agencies	
a. Forest Service:	$ 0.00

b. FEMA:	$	0.00
c. HUD:	$	0.00
d. Federal Transit Administration:	$	0.00
e. U.S. Corp of Engineers	$	0.00
f. Other Federal:	$	0.00
Total: *(2a-f)*	$	0.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: *(from A.1.d. 'Total Capital Outlay' below)*	$	0.00
2. Maintenance:	$	5,345.87
3. Road and street services		
a. Traffic control operations:	$	0.00
b.¦Snow and ice removal:	$	0.00
c. Other:	$	0.00
4. General administration and miscellaneous	$	27,721.68
5. Highway law enforcement and safety	$	52,968.00
Total: *(A.1-5)*	$	86,035.55

B. Debt service on local obligations

1.¦ Bonds		
a.¦Interest	$	0.00
b.¦Redemption	$	0.00
2.¦ Notes		
a.¦Interest	$	0.00
b.¦Redemption	$	0.00
SubTotal: *(1+2)*	$	0.00

C. Payments to State for Highways:	$	0.00
D. Payments to Toll Facilities:	$	0.00

Total Disbursements: *(A+B+C+D)*	$ 86,035.55

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	$ 0.00	$ 0.00	$ 0.00
b. Engineering Costs:	$ 0.00	$ 0.00	$ 0.00
c. Construction			
1. New Facilities:	$ 0.00	$ 0.00	$ 0.00
2.¦Capacity Improvements:	$ 0.00	$ 0.00	$ 0.00
3. System Preservation:	$ 0.00	$ 0.00	$ 0.00
4. System Enhancement:	$ 0.00	$ 0.00	$ 0.00
5. Total Construction:			$ 0.00
d. Total Capital Outlay: *(Lines A.1.a. + 1.b. + 1.c.5)*			$ 0.00

Receipts, Disbursements & Costs

IV. Local Highway Debt Status

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	$ 0.00	$ 0.00	$ 0.00	$ 0.00
1. Bonds (Refunding Portion)		$ 0.00	$ 0.00	$ 0.00
B. Notes (Total):	$ 0.00	$ 0.00	$ 0.00	$ 0.00

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	B. Total Receipts	C.Total Disbursements	D. Ending Balance	E. Reconciliation
$ 0.00	$ 86,035.55	$ 86,035.55	$ 0.00	$ 0.00

Notes and Comments:

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