

TOWN OF MINTURN, COLORADO

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023

Draft
Pending Board Acceptance

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The Honorable Mayor and Members
of the Town Council
Minturn, Colorado

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and remaining fund information, and each major fund of the Town of Minturn as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Minturn's 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, the aggregate discretely presented component units and remaining fund information, and each major fund of the Town of Minturn as of December 31, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 Town of Minturn 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 Minturn'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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, listed as required supplementary information 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 required supplementary information in accordance with accounting 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 supplementary 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 Minturn's basic financial statements. The combining and individual fund financial statements and schedules, and the County, Cities and Towns Annual Statement of Receipts and Expenditures for Roads, Bridges and Streets, which are listed in the table of contents are presented for purposes of additional analysis and is 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 Supplementary Information is fairly stated, in all material aspects, in relation to the basic financial statements taken as a whole.

Maggard & Hood, P.C.

MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
May 16, 2024

TOWN OF MINTURN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town of Minturn was organized in 1904, under provisions of Colorado State Statutes. The provisions of its home rule charter that was adopted in 1982 currently govern the town. The Town operates under a Council-Mayoral form of government and is a duly organized and existing political subdivision under the Constitution and laws of the State of Colorado. The Town is located in the central portion of Colorado approximately one hundred miles west of Denver, two miles south of Interstate 70 on State Highway 24, and four miles west of the Town of Vail and the Vail Ski Resort, and four miles east of the Town of Avon and the Beaver Creek Ski Resort. An elected Mayor and Town Council govern the Town and are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes.

The discussion and analysis of the Town of Minturn's financial performance provides an overall review of the Town's financial activities for the fiscal year. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the Town's overall financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended December 31, 2023 are as follows:

- In total, the Town's *overall* net position increased \$601,605 or 3.8% from the previous fiscal year.
- The Town's Governmental Activities General Revenues accounted for \$2,546,141 or 79.4% of all revenues. These general revenues include taxes, grants and entitlements not restricted to specific programs, and general interest and other revenues not related to specific programs. Program specific revenues, in the form of charges for services and sales, as well as program specific grants and contributions, accounted for \$659,342 or 20.6% of the Town's total governmental revenues of \$3,205,483.
- Governmental Activities for the Town had \$2,749,431 in expenses, of which \$659,342 were offset by program specific charges for services and sales, and \$0 by operating grants and capital grants and contributions. The remaining expenses were offset by general revenues.
- In the Town's business-type (enterprise) activities, fiscal year income exceeded expenses by \$145,853 thus increasing the activity's net position to \$3,018,203.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and *other supplementary information*. These statements are organized so the reader can understand the Town of Minturn as a financial whole, or as an entire operating activity. The basic financial statements include two types of information on the same statement that present different views of the Town.

- *Government-wide financial statements* that provide both *long-term* and *short-term* information about the Town's *overall* financial status.
- *Fund financial statements* that focus on *individual parts* of the Town government, reporting the Town's operations *in more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Additional supplemental information has also been included to enhance the readers understanding of the report.

TOWN OF MINTURN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2023

REPORTING THE TOWN AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used by the Town to provide programs and activities, the view of the Town as a whole looks at all financial transactions and asks the question, "How did we do financially during the current fiscal year?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The bases of accounting take into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of these government-wide financial statements is on the overall financial position and activities of the Town. These financial statements are constructed around the concept of a primary government, the Town, except for fiduciary funds. The statement of net position and statement of activities provide information about the activities of the whole Town, presenting both an aggregate view of the Town's finances and a longer-term view of those finances.

The statement of net position and the statement of activities report the Town's net position and changes in those assets. This change in net position is important because it identifies whether the financial position of the Town has improved or diminished for the Town as a whole. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the Town's property tax base, current property tax laws, statutorily required reserves, facility conditions, and other factors.

In the statement of net position and the statement of activities, the Town is divided into two distinct kinds of activities:

Governmental Activities – Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. Most of the Town's programs and services are reported here including general government activities, planning and zoning, municipal court, police, public works, parks and recreation, economic development, and interest on long-term debt.

Business-Type Activities – Business-type activities are financed by some degree by charging external parties for the goods or services they acquire. The Town's enterprise activities for water and trash, are reported as business-type activities as the service is provided on a charge for goods or services basis to recover the expenses of the goods and services provided.

FUND FINANCIAL STATEMENTS

Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about each of the Town's major funds. For the Town of Minturn, the General Fund is the most significant fund. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. The Town maintains seven individual governmental funds: General, Battlement Mountain Resort, Special Revenue, Conservation Trust, Minturn Market, General Improvement District and Capital Projects Fund. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the major funds. The nonmajor funds are combined into a single, aggregated, presentation with individual fund data for each of these nonmajor governmental funds provided in the form of combining statements as supplemental information. The Town's proprietary, or enterprise fund, is used to account for its Water and Trash activities. This fund is considered to be a major fund of the Town of Minturn.

TOWN OF MINTURN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2023

FUND FINANCIAL STATEMENTS -- CONTINUED

As indicated above, the Town's fund financial statements are divided into two broad categories; namely (1) governmental funds; and (2) proprietary funds.

Governmental Funds – The Town's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. 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. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance the Town's programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements. The Town maintains the following governmental funds:

General Fund – A major fund used to account for resources traditionally associated with government which are not required legally or by sound financial management to be account for in another fund.

Battle Mountain Resort Fund – A major special revenue fund accounting for resources committed in use for expenditure related to the planned unit development of the Battle Mountain Resort.

Special Revenue Fund – A major fund accounting for resources restricted in use for future debt service, capital acquisition and maintenance of Town property.

Conservation Trust Fund – A nonmajor fund accounting for resources restricted in use for parks and recreation acquisition, development and maintenance pursuant to Colorado Revised Statutes.

Minturn Market Fund – A nonmajor fund accounting for resources assigned to match costs with income, as well as Town contributions as needed in order to provide foot traffic for the retail shops and restaurants in the Town during summer weekends.

Minturn GID Fund – A nonmajor special revenue fund accounting for resources assigned for the financing of construction of infrastructure in the Battle Mountain development using a dedicated property tax on property within the development.

Capital Project Fund – A nonmajor capital projects fund accounting for resources committed for capital projects using a dedicated construction use tax on projects exceeding \$10,000.

Proprietary Funds – The enterprise funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same. These funds are established to account for operations that are financed and operated in a manner similar to private enterprise, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The proprietary (enterprise) funds include the following:

Water and Sanitation Fund – accounts for activities related to water and sanitation services to the citizens of the Town.

Discretely Presented Component Unit – A legally separate organization for which the town is financially accountable, but has a separate governing board is considered part of the reporting entity and is reported as a discretely presented component unit (see Note 1):

Minturn Education Fund – A non-profit organization formed in November 2012 to create a scholarship program for qualified Minturn students who meet merit and financial need criteria. The Minturn Education Fund does not issue separate financial statements and is discretely presented in the Town's financial statements.

TOWN OF MINTURN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2023

THE TOWN AS A WHOLE

The perspective of the statement of net position is of the Town as a whole. Following is a summary of the Town's net position for the current and prior fiscal year.

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<u>ASSETS:</u>						
Current and Other Assets	\$ 5,195	\$ 3,925	\$ 2,157	\$ 1,169	\$ 7,316	\$ 5,094
Restricted Cash	-	-	-	-	-	-
Capital Assets, Net	9,449	9,589	4,005	4,075	13,454	13,664
Total Assets	<u>14,608</u>	<u>13,514</u>	<u>6,162</u>	<u>5,244</u>	<u>20,770</u>	<u>18,758</u>
<u>LIABILITIES:</u>						
Current & Other Liabilities	135	135	205	533	340	668
Long-term Liabilities	-	-	2,939	1,839	2,939	1,839
Total Liabilities	<u>135</u>	<u>135</u>	<u>3,144</u>	<u>2,372</u>	<u>3,279</u>	<u>2,507</u>
<u>DEFERRED INFLOWS</u>						
<u>OF RESOURCES:</u>						
Property Taxes	827	569	-	-	827	569
Related to Leases	374	-	-	-	374	569
Total Deferred Inflows	<u>1,201</u>	<u>569</u>	<u>-</u>	<u>-</u>	<u>1,201</u>	<u>569</u>
<u>NET POSITION:</u>						
Invested in Capital Assets, Net of Related Debt	9,449	9,589	1,668	2,117	11,117	11,706
Non-Spendable	-	-	-	-	-	-
Restricted	206	181	-	-	206	181
Unrestricted	3,617	3,040	1,350	755	4,967	3,795
Total Net Position	<u>\$ 13,272</u>	<u>\$ 12,810</u>	<u>\$ 3,018</u>	<u>\$ 2,872</u>	<u>\$ 16,290</u>	<u>\$ 15,682</u>

As indicated earlier, net position may serve over time as a useful indicator of the Town's financial health. The Town's *overall* assets exceeded its liabilities and deferred inflows by \$16,290 million at December 31, 2023.

By far the largest portion of the Town's Net Position is its net investment in capital assets less the related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's Net Position, \$206 thousand (1.2%), represents resources that are subject to restrictions as to how they may be used; this includes statutorily required TABOR emergency reserves and monies restricted for conservation trust purposes, and maintenance of Town property.

TOWN OF MINTURN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2023

THE TOWN AS A WHOLE -- CONTINUED

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in the overall change in net assets for the fiscal year 2023:

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
REVENUES:						
Program Revenues:						
Charges for Services/Sales	\$ 659	\$ 608	\$ 1,609	\$ 1,317	\$ 2,268	\$ 1,925
Operating Grants & Contrib.	-	-	-	-	-	-
Capital Grants & Contrib.	-	130	40	407	40	537
Total Program Revenues	659	738	1,649	1,724	2,308	2,462
General Revenues and Transfers:						
Taxes	2,050	2,177	-	-	2,050	2,177
Intergovernmental Revenue	256	247	-	-	256	247
Interest/Investment Earnings	240	63	-	1	63	64
Transfers	-	-	-	-	-	-
Total General Revenues and Transfers	2,546	2,487	-	1	2,546	2,488
Total Revenues	3,205	3,225	1,649	1,725	4,854	4,950
PROGRAM EXPENSES:						
General Government	1,269	1,245	-	-	1,269	1,245
Planning and Zoning	258	442	-	-	258	442
Municipal Court	10	7	-	-	10	7
Police	438	402	-	-	438	402
Public Works	258	524	-	-	258	524
Parks & Recreation	516	411	-	-	516	411
Water & Sanitation	-	-	1,503	1,573	1,503	1,573
Total Expenses	2,749	3,031	1,503	1,573	4,252	4,604
INCREASE (DECREASE) IN NET POSITION	\$ 456	\$ 194	\$ 146	\$ 152	\$ 602	\$ 346

TOWN OF MINTURN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2023

THE TOWN AS A WHOLE -- CONTINUED

Governmental Activities

Revenues

The Town's governmental activities revenues decreased approximately \$20 thousand, or less than 1% from the prior year. Decreases occurred for property taxes and real estate transfer taxes. These shortfalls were mostly offset by increases in interest earned on cash and investments.

Expenses

Program expenses for governmental activities decreased approximately \$282 thousand, or 9.3% from the prior fiscal year. Notable decreases occurred in purchased services related to legal and planning and zoning, the remaining Town's operating costs were comparable to the prior year.

As indicated above, the statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table summarizes the information from the statement of activities, reflecting the total cost of program services and the remaining net cost of program services supported by taxes and other general revenues:

<i>(In Thousands)</i>	Total Cost of Service		Net Cost of Services	
	2023	2022	2023	2022
General Government	\$ 1,268	\$ 1,245	\$ 907	\$ 760
Planning and Zoning	258	442	(5)	246
Municipal Court	10	7	10	7
Police	438	402	404	390
Public Works	258	524	258	480
Parks and Recreation	516	411	516	411
Total Expenses	<u>\$ 2,749</u>	<u>\$ 3,031</u>	<u>\$ 2,090</u>	<u>\$ 2,294</u>

The dependence on general revenues for governmental activities is essential. Approximately 76% of 2023 and 76% of 2022 program services were supported through taxes and other general revenues.

Business-Type Activities – The results of operations of the business-type activity indicate that the utility funds used available fund balances to cover losses without assistance from the general fund:

<i>(In Thousands)</i>	2023	2022
Operating Revenues	\$ 1,609	\$ 1,317
Operating Grants & Contributions	40	407
General Revenues	-	1
Total Revenues	1,649	1,725
Less Operating and Interest Expenses	<u>(1,503)</u>	<u>(1,573)</u>
Net Income (Loss), Before Transfers and Capital Grants & Contributions	146	152
Transfers In (Out)	-	-
Capital Contributions	-	-
Net Income (Loss)	<u>\$ 146</u>	<u>\$ 152</u>

TOWN OF MINTURN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2023

THE TOWN'S FUNDS

Governmental Funds

The governmental fund level financial statements focus on how services were financed in the short-term as well as what remains for future spending. The governmental fund level financial statements are reported on the modified accrual basis of accounting. At the fund level, under the modified accrual basis of accounting, depreciable assets and their related depreciation expense are not reflected as they are not a current period financial resource or use. In addition, at the fund level, inflows from operating loans are presented as a revenue item while outflows for capital outlay and debt service principal payments are presented as an expenditure item, as these items represent current period financial resources and uses.

The General Fund ending fund balance increased from \$2,700,141 to \$3,117,793 during the current fiscal year. The net increase of \$417,652 represents the excess of current period revenues (financial resources) over current period expenditures (financial uses). The ending fund balance in the amount of \$3,117,793, which includes \$3,024,793 of unrestricted reserves, is the amount of net resources available for future spending. Most financial resources are from taxes and intergovernmental revenues.

The Battle Mountain Resort special revenue fund ending fund balance increased from \$79,298 to \$91,287, during the current fiscal year. The net increase of \$11,989 represents the excess of current period revenues (financial resources) over current period expenditures (financial uses). The ending fund balance of \$91,287, is the amount of net resources available for future spending.

The Special Revenue Fund ending fund balance increased from \$23,037 to \$32,430 during the current fiscal year. The net increase of \$9,393 represents the excess of current period revenues (financial resources) over current period expenditures (financial uses). The ending fund balance of \$32,430 is the amount of net resources available for future spending.

Changes in non-major governmental funds are detailed in the supplemental information of the accompanying financial statements.

Proprietary (Enterprise) Fund

The proprietary (enterprise) fund financial statements, as discussed above, use the same basis of accounting as business-type activities. Positive changes in net position reflect that the enterprise fund is currently generating enough operating and non-operating revenues to offset current year operating and non-operating expenses, while negative changes in net assets indicate that it is not. The net assets of the enterprise activities represent the amount of net resources, including capital assets, available to provide future Water and Sanitation services to the general public of the Town of Minturn. The ending net position increased from \$2,872,350 to \$3,018,203 during the current fiscal year. The year-end balance of unrestricted net assets of \$1,350,172 represents the amount of resources available for future spending.

TOWN OF MINTURN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2023

GENERAL FUND BUDGETING HIGHLIGHTS

The Town's procedures in establishing the budgetary data reflected in the financial statements is summarized in *Note 1(E)* of the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) with the exception of the Proprietary (Enterprise) Funds. The reconciliation of the budgetary differences of the Proprietary Fund to GAAP is found in *Note 1(E)*. The budgeting system of the Town uses a line-item based budget, which is designed to control line-item expenditures, but provide flexibility for overall budgetary management. During the course of fiscal 2023, the Town amended its budget to more accurately reflect anticipated year-end use of available resources.

General Fund Resources (Inflows)

The Town's General Fund budgetary revenues and other financing sources in the amount of \$2,871,276 exceeded budgetary expectations of \$2,818,258 by \$53,018. Positive variances occurred for sales tax collections and planning, zoning and permitting charges. Negative variances occurred for property taxes and real estate transfer taxes. Further detail of individual line-item revenues for the general fund can be found in the 'Supplemental Information' section following the notes to the financial statements.

General Fund Charges to Appropriations (Outflows)

The Town's General Fund budgetary expenditures and other financing uses of \$2,453,624 were \$420,233 less than the final appropriated fund balance of \$2,873,857. Positive variances occurred across the entire Town. Further detail of individual line-item expenditures for the general fund can be found in the 'Supplemental Information' section following the notes to the financial statements.

The Town Council and the Town's management continue to strive to budget appropriate amounts for each individual line item. This year's overall savings are indicative of the efforts to provide services in the most economical manner. This year's savings will have a positive impact on future year's fund balances.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the Town had a total of \$13,453,946 in capital assets, consisting of \$9,444,380 in governmental activities and \$4,004,566 in business-type activities. The following reflects the balances of fiscal year 2023 compared to fiscal year 2022:

(In Thousands)	Governmental Activities		Business-Type Activities		Total	
	2023	20212	2023	2022	2023	2022
<i>Net of Depreciation:</i>						
Land & Sites	\$ 3,579	\$ 3,579	\$ -	\$ -	\$ 3,579	\$ 3,579
Construction-in-Progress	-	-	101	2,538	101	2,538
Streets	3,712	3,794	-	-	3,712	3,794
Bldgs & Improvements	2,025	2,100	-	-	2,025	2,100
Machinery & Equipment	133	116	129	136	262	252
Water & Sanitation Sys	-	-	3,654	1,276	3,654	1,276
Recreation Systems	-	-	121	125	121	125
Total Capital Assets	<u>\$ 9,449</u>	<u>\$ 9,589</u>	<u>\$ 4,005</u>	<u>\$ 4,075</u>	<u>\$ 13,454</u>	<u>\$ 13,664</u>

Debt

At December 31, 2023 the Town had a total of \$3,071,422 of outstanding long-term obligations. The entire amount is carried in business-type activities. Additional information regarding debt service requirements is found in *Note 4* of the financial statements.

TOWN OF MINTURN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2023

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

During 2023, the Town continued to build on positive economic strides seen in recent previous years. The overall economy was showing very strong signs of economic growth in revenues for real estate markets and online retail sales. In addition to our traditional sales tax collections, in 2019 the State began enforcing sales tax collections for online sales which represented a thus far untapped revenue source. The significant increase in property tax assessments was felt statewide. During the 2023 state legislative session a number of bills were considered, and the Governor called for a special election in November and a special legislative session in December. The intent was an attempt to bring soaring housing costs under control and more specifically assessed property values in line with inflationary growth. This effort was continued during the 2024 legislative session and the true impacts of the increases and the laws to mitigate those increase are yet to be fully realized.

The Town's 2023 assessed valuation (for collection of taxes in 2024) was \$46,134,010, up from the prior year's \$31,712,010 representing an increase of 31%. It is noted that 2023 was an assessment year causing this significant growth in values to take a front seat with the legislature and the voters. By State law passed in 1982, residential assessments have been restricted to 45% of the total statewide assessed valuation; consequently, as residential property values increase, periodically they are adjusted to remain compliant (property values are reassessed statewide in each county during odd years). For 2023 the commercial assessment value was reduced from 29% to 27.9% and residential was reduced from 6.95% to 6.765% which is reflected in the revenue decline.

In light of various and differentiating economic programs, the Town has seen relatively stable and even increasing sales tax revenues in the General Fund over recent years. During 2023, sales tax receipts totaled \$1,239,324 compared to \$1,210,981 in 2022, \$1,040,044 in 2021 and \$830,911 in 2020; a 2.34% increase FY2023 over FY2022. This significant increase since 2020 in sales tax is attributable to the previously mentioned online sales tax collections at the state level and distributed locally based on the point of purchase and has helped to stabilize our stable or shrinking property receipts. The Town also collects a lodging tax of 1.5%, which is in addition to a 4% sales tax on all short-term rental nights (a single stay of less than 30 days), as well as a Real Estate Transfer Tax which is very driven by the overall state of the economy.

In November of 2018 the Town passed a Construction Use Tax of 4% which collection began January 1, 2019. This tax only affects construction projects that exceed \$10,000. All proceeds of this tax are reported in the Capital Fund and any proceeds will be limited to capital outlay and capital projects. This revenue source continues to increase annually with \$111,998 collected in 2023, 79,578 collected in 2022, \$83,278 collected in 2021. Although this revenue stream is contingent on development and can be severely limited from one year to the next, the town is looking at several larger projects which could see over 80 additional units over the next few years in addition to Battle Mountain and School District housing of several hundred even with our ongoing water tap moratorium.

The Town has been able to complete several projects and move others along in order to address the continuing uncertain economic environment by implementing several strategic initiatives aimed at permitting the Town to take advantage of even slightly improved economic conditions. Throughout recent years, the Town has endeavored to support its residents and maintain community service levels predominantly without increasing costs to the Town. In 2022 the town completed a one-block curb/gutter/sidewalk/paving project in the 200 block of Pine St. Project needs were curtailed in 2022 due to several lawsuits that are drawing heavily on our annual revenues. It appears years' worth of work will be realized with a settlement between the Town and the Battle Mountain Development and this project will potentially move forward in the coming years.

TOWN OF MINTURN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended December 31, 2023

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK - *CONTINUED*

The Town is happy to report that, to a large extent, its efforts toward fiscal responsibility have been well founded and successful. In July of 2014, the Town signed an Intergovernmental Agreement with the Eagle County Sheriff's Office for police services. The IGA was originally contracted for four years and was extended in 2017 and again in 2022 for additional four-year cycles. This agreement disbanded the vacant and unstaffed Minturn Police Department, shifting all police responsibilities to the Eagle County Sheriff; although, the Town retained the Municipal Court and the Court Clerk function. This agreement has proven very cost effective for the Town as it provides a more sustainable police presence on a daily basis and has proven to be a success for the Town and its citizens by providing a trained and a sustainable police force for the community.

In the near to mid term the town will need to consider water tank storage, new water rights and possible diversions, and an upgraded water purification system. In late 2021 the Town secured a combination of state grants in the amount of \$157,000, US Congressionally Directed Funding in the amount of \$3,000,000, and low interest bonds to construct a new water tank. This new tank will allow the town to have a combined storage of over one million gallons of water and allow the town to use both tanks simultaneously. Currently this project is substantially completed and should be in full use by late summer 2024. The total cost of the tank is estimated to run \$2,250,000.

The Town has undertaken several studies to create a Capital Improvement Plan which will allow us to achieve our system needs. The Fund has been able to maintain a solid reserve balance, however, the intent of the Council approved Capital Improvement Plan for the Enterprise Fund is to develop sufficient reserves to maintain the water purification and distribution system and to complete a series of necessary infrastructure replacements to include the aging water plant itself, the holding tank, and the distribution system. This plan will give guidance to needed repairs and replacements at the water treatment plant, needed distribution infrastructure, and water loss detection tools. Our goal with this system is to reduce our water loss below 20% on a consistent basis.

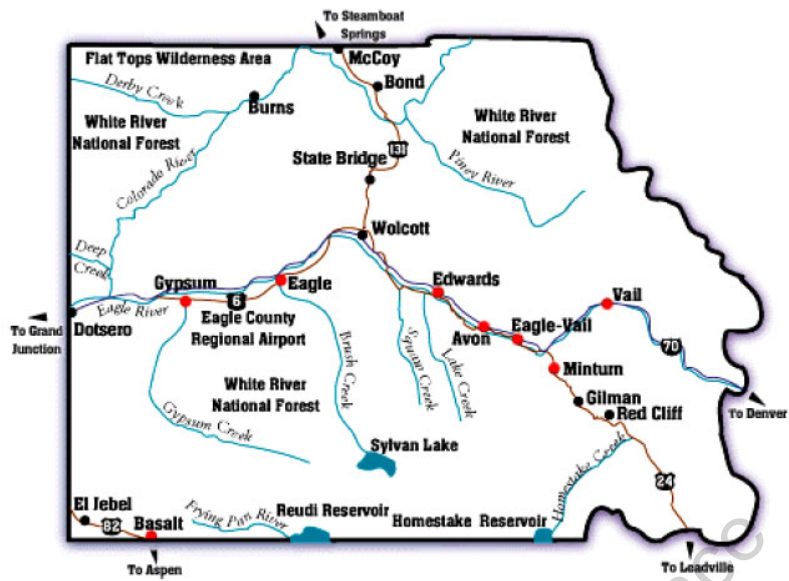
The Town has also taken a "wait-and-see" approach to future staffing needs and revenue expectations. As of the end of 2023, the Town employed 7 full-time employees, not including contracted services. The underlying goal has been to control expenditures and maintain fund balances while not reducing the established level of services to the Town's residents. Given the uncertain economic environment, the Town Council and Town management have undertaken additional internal actions which include: 1) annual insurance review to manage medical insurance premiums; 2) conservative workforce and use of contracted services if available and fiscally responsible to do so; and 3) maintaining staff positions as they become vacant and creating new positions, if necessary to meet growing demand. Management strives to maintain reserves to achieve the financial policy set by the Town Council to have six months of operational reserves.

The Council and Planning Commission meetings continue to operate using a hybrid on-line and in-person format, which has proven to be very effective.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact the:

Town Minturn, Colorado
Attn: Jay Brunvand, Town Treasurer
P.O. Box 309
Minturn, CO 81645



GOVERNMENT - WIDE FINANCIAL STATEMENTS

Draft
Pending Board Acceptance

TOWN OF MINTURN, COLORADO
STATEMENT OF NET POSITION
December 31, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Education Fund
Current Assets:				
Cash and Investments	\$ 3,700,797	\$ 1,169,225	\$ 4,870,022	\$ 281,272
Cash with Fiscal Agent	-	734,887	734,887	-
Restricted Cash and Investments	-	-	-	-
Receivables:				
Accounts Receivable	245,960	253,366	499,326	-
Leases Receivable (NPV)	382,530	-	382,530	-
Property Taxes	827,367	-	827,367	-
Intergovernmental	2,834	-	2,834	-
Total Current Assets	<u>5,519,488</u>	<u>2,157,478</u>	<u>7,316,966</u>	<u>281,272</u>
Non-Current Assets:				
Capital Assets –				
Non-Depreciable	3,579,470	101,303	3,680,773	-
Depreciable, Net	<u>5,869,910</u>	<u>3,903,263</u>	<u>9,773,173</u>	<u>-</u>
Total Non-Current Assets	<u>9,449,380</u>	<u>4,004,566</u>	<u>13,453,946</u>	<u>-</u>
Liabilities:				
Accounts Payable	52,688	37,468	90,156	-
Deposits	55,250	-	55,250	-
Accrued Interest	-	5,491	5,491	-
Accrued Vacation & Sick Pay	25,307	29,460	54,767	-
Other Liabilities	2,242	-	2,242	-
Long-term Debt:				
Portion Due or Payable within One Year:				
1997B Rural Development Note	-	7,393	7,393	-
CRW & PD Loan	-	125,080	125,080	-
Portion Due or Payable after One Year:				
1997B Rural Development Note	-	135,494	135,494	-
CRW & PD Loan	<u>-</u>	<u>2,803,455</u>	<u>2,803,455</u>	<u>-</u>
Total Liabilities	<u>135,487</u>	<u>3,143,841</u>	<u>3,143,841</u>	<u>-</u>
Deferred Inflow of Resources:				
From Property Taxes	827,367	-	827,367	-
Related to Leases	<u>373,665</u>	<u>-</u>	<u>373,665</u>	<u>-</u>
Total Deferred Inflow of Resources	<u>1,201,032</u>	<u>-</u>	<u>1,201,032</u>	<u>-</u>
Net Position				
Invested in Capital Assets, Net of Related Debt	9,449,380	1,668,031	11,117,411	-
Restricted for:				
Conservation Trust	80,849	-	80,849	-
Capital Maintenance	32,430	-	32,430	-
Emergencies	93,000	-	93,000	-
Scholarships	-	-	-	281,272
Unrestricted	<u>3,616,690</u>	<u>1,350,172</u>	<u>4,966,862</u>	<u>-</u>
TOTAL NET POSITION	<u>\$ 13,272,349</u>	<u>\$ 3,018,203</u>	<u>\$ 16,290,552</u>	<u>\$ 281,272</u>

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

TOWN OF MINTURN, COLORADO
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended December 31, 2023

		PROGRAM REVENUES		
	<u>EXPENSES</u>	<u>Charges For Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
FUNCTION/PROGRAM ACTIVITIES				
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 1,268,937	\$ 361,548	\$ -	\$ -
Planning and Zoning	258,087	263,575	-	-
Municipal Court	10,334	-	-	-
Police	438,163	34,219	-	-
Public Works	257,869	-	-	-
Parks and Recreation	516,041	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>2,749,431</u>	<u>659,342</u>	<u>-</u>	<u>-</u>
BUSINESS-TYPE ACTIVITIES:				
Water and Sanitation	<u>1,502,806</u>	<u>1,608,723</u>	<u>-</u>	<u>39,775</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>1,502,806</u>	<u>1,608,723</u>	<u>-</u>	<u>39,775</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 4,252,237</u>	<u>\$ 2,268,065</u>	<u>\$ -</u>	<u>\$ 39,775</u>
COMPONENT UNIT:				
EDUCATION FUND	<u>\$ 8,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GENERAL REVENUES:

Taxes:

Property Taxes, Levied for General Purposes
Specific Ownership Taxes, for General Purposes
Sales and Use Tax
Franchise Tax
Real-Estate Transfer Tax
Other Taxes

Grants and Entitlements Not Restricted to Specific Programs:
Intergovernmental Revenues
Unrestricted Interest and Investment Earnings

Total General Revenues

Change in Net Position

NET POSITION – BEGINNING OF YEAR (Restated)

NET POSITION – END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Education Fund
\$ (907,389)	\$ -	\$ (907,389)	\$ -
5,488	-	5,488	-
(10,334)	-	(10,334)	-
(403,944)	-	(403,944)	-
(257,869)	-	(257,869)	-
(516,041)	-	(516,041)	-
(2,090,089)	-	(2,090,089)	-
-	145,692	145,692	-
-	145,692	145,692	-
(2,090,089)	145,692	(1,944,397)	-
-	-	-	(8,529)
571,763	-	571,763	-
32,616	-	32,616	-
1,191,938	-	1,191,938	-
83,581	-	83,581	-
151,425	-	151,425	-
19,022	-	19,022	-
256,281	-	256,281	-
239,515	161	239,676	19,535
2,546,141	161	2,546,302	19,535
456,052	145,853	601,905	11,006
12,816,297	2,872,350	15,688,647	270,266
\$ 13,272,349	\$ 3,018,203	\$ 16,290,552	\$ 281,272

FUND FINANCIAL STATEMENTS

Draft
Pending Board Acceptance

TOWN OF MINTURN, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	General Fund	Battle Mountain Resort	Special Revenue Fund
<u>ASSETS:</u>			
Cash and Investments	\$ 2,965,398	\$ 91,922	\$ 23,611
Restricted Cash and Investments	-	-	-
Receivables – Net:			
Accounts Receivable	239,309	-	6,651
Leases Receivable (NPV)	191,754	-	190,776
Property Taxes	827,367	-	-
Intergovernmental	2,834	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 4,226,662</u>	<u>\$ 91,922</u>	<u>\$ 221,038</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>			
Liabilities:			
Accounts Payable	\$ 38,953	\$ 635	\$ -
Deposits	55,250	-	-
Other Liabilities	2,242	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>96,445</u>	<u>635</u>	<u>-</u>
Deferred Inflows of Resources:			
Unavailable Revenues:			
From Property Taxes	827,367	-	-
Related to Leases	185,057	-	188,608
	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows	<u>1,012,424</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted for –			
Conservation Trust	-	-	-
Capital Maintenance	-	-	32,430
Emergency Reserves	93,000	-	-
Committed to –			
Battle Mountain Resort	-	91,287	-
Capital Projects	-	-	-
Assigned to –			
Minturn Market	-	-	-
General Improvement District	-	-	-
Unrestricted/Unassigned	3,024,793	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>3,117,793</u>	<u>91,287</u>	<u>32,430</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,226,662</u>	<u>\$ 91,922</u>	<u>\$ 221,038</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ 619,866	\$ 3,700,797
-	-
-	245,960
-	382,530
-	827,367
-	2,834
<u>619,866</u>	<u>5,159,488</u>

\$ 13,100	\$ 52,688
-	55,250
-	2,242
<u>13,100</u>	<u>110,180</u>

-	827,367
-	373,665
-	1,201,032

80,849	80,849
-	32,430
-	93,000
-	91,287
517,463	517,463
5,495	5,495
2,959	2,959
-	3,024,793
<u>606,766</u>	<u>3,848,276</u>

<u>\$ 619,866</u>	<u>\$ 5,159,488</u>
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TOWN OF MINTURN, COLORADO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2023

TOTAL GOVERNMENTAL FUND BALANCES	\$ 3,848,276
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Amounts reported for governmental activities on the statement of net position
is different because of the following:

Capital assets used in governmental activities are not financial resources and therefore,
are not reported in the governmental funds.

Governmental Capital Assets	\$ 12,207,632	
Less Accumulated Depreciation	<u>(2,758,252)</u>	9,449,380

Some liabilities are not due and payable in the current year and therefore, are not reported
in the governmental funds:

Accrued Compensated Absences	<u>(25,307)</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 13,272,349</u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF MINTURN, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	General Fund	Battle Mountain Resort	Special Revenue Fund
<u>Revenues:</u>			
Taxes	\$ 1,966,765	\$ -	\$ -
Licenses and Permits	347,155	-	-
Fines and Forfeitures	34,219	-	-
Intergovernmental	130,166	-	-
Miscellaneous	178,751	50,000	103,543
Interest and Investment Income	<u>214,220</u>	<u>6,399</u>	<u>2,073</u>
Total Revenues	<u>2,871,276</u>	<u>56,399</u>	<u>105,616</u>
<u>Expenditures:</u>			
General Government	1,047,352	44,410	107,106
Planning and Zoning	258,087	-	-
Municipal Court	10,334	-	-
Police	438,163	-	-
Public Works	183,686	-	-
Parks and Recreation	466,002	-	-
Capital Outlay	<u>50,000</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>2,453,624</u>	<u>44,410</u>	<u>105,616</u>
Excess Revenues Over (Under) Expenditures	417,652	11,989	-
<u>Other Financing Sources and (Uses):</u>			
Transfers In	-	-	-
Transfers (Out)	<u>-</u>	<u>-</u>	<u>(96,223)</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	417,652	11,989	9,393
Fund Balances – Beginning (Restated)	<u>2,700,141</u>	<u>79,298</u>	<u>23,037</u>
Fund Balances – Ending	<u>\$ 3,117,793</u>	<u>\$ 91,287</u>	<u>\$ 32,430</u>

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

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 1,966,765
-	347,155
-	34,219
126,115	256,281
29,254	361,548
<u>16,823</u>	<u>239,515</u>
<u>172,192</u>	<u>3,205,483</u>
107,106	1,198,868
-	258,087
-	10,334
-	438,163
-	183,686
39	466,041
<u>-</u>	<u>50,000</u>
<u>107,145</u>	<u>2,605,179</u>
65,047	600,304
96,223	96,223
<u>-</u>	<u>(96,223)</u>
161,270	600,304
<u>445,496</u>	<u>2,168,861</u>
<u>\$ 606,766</u>	<u>\$ 2,769,165</u>

TOWN OF MINTURN, COLORADO
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2023

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 600,304

Amounts reported for governmental activities on the Statement of Activities
are different because of the following:

Governmental Funds report capital outlays as expenditures and contributed infrastructure is not recorded; however, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount by which fixed asset additions exceeded depreciation.

Capital Outlay	\$	42,652	
Depreciation		<u>(181,889)</u>	(139,237)

Compensated absences not payable from current resources are not reported as expenditures of the current year. In the Statement of Activities, these costs represent expenses of the current year. This is the change in total accrued leave this year.

(5,015)

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 456,052

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

TOWN OF MINTURN, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2023

	<u><i>Business-Type Activity</i></u>
	<u>Water & Sanitation</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Investments	\$ 1,169,225
Cash with Fiscal Agent	734,887
Accounts Receivable	<u>253,366</u>
Total Current Assets	<u>2,157,478</u>
Non-Current Assets:	
Capital Assets, Net	<u>4,004,566</u>
Total Non-Current Assets	<u>4,004,566</u>
 Total Assets	 <u>6,162,044</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	37,468
Accrued Interest	5,491
Accrued Vacation and Sick Pay	29,460
Current Maturities of Long-term Debt	<u>132,473</u>
Total Current Liabilities	<u>204,892</u>
Non-Current Liabilities:	
Long-term Notes Payable	<u>2,938,949</u>
Total Non-Current Liabilities	<u>2,938,949</u>
 Total Liabilities	 <u>3,143,841</u>
Net Position:	
Invested in Capital Assets, Net of Related Debt	1,668,031
Unrestricted	<u>1,350,172</u>
 Total Net Position	 <u>\$ 3,018,203</u>

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

TOWN OF MINTURN, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2023

	<i><u>Business-Type Activity</u></i>
	<u>Water & Sanitation</u>
<u>OPERATING REVENUES:</u>	
Service Fees	\$ 1,446,591
Miscellaneous	<u>24,084</u>
Total Operating Revenues	<u>1,470,675</u>
<u>OPERATING EXPENSES:</u>	
Operations	1,161,055
Maintenance	126,852
Depreciation	<u>162,901</u>
Total Operating Expenses	<u>1,450,808</u>
Net Operating Income (Loss)	<u>19,867</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>	
Tap Fees	138,048
Grants and Contributions	39,775
Interest Income	161
Interest Expense	<u>(51,998)</u>
Total Non-Operating Revenues (Expenses)	<u>125,986</u>
Net Income (Loss) Before Contributions & Transfers	145,853
Transfers In (Out)	<u>-</u>
Change in Net Position	145,853
Net Position – Beginning	<u>2,872,350</u>
Net Position – Ending	<u><u>\$ 3,018,203</u></u>

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

TOWN OF MINTURN, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2023

	<u><i>Business-Type Activity</i></u> <u>Water & Sanitation</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Cash Received from Customers	\$ 1,322,185
Cash Received from Others	24,084
Cash Payments for Goods and Services	(1,423,096)
Cash Payments to Employees	<u>(172,538)</u>
Net Cash Provided (Used) by Operating Activities	<u>(249,365)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Tap Fees	138,048
Principal (Paid) on Long-term Obligations	(79,061)
Interest (Paid) on Long-term Obligations	(46,507)
Payments for Capital Acquisitions	(92,717)
Proceeds from Loans	<u>457,925</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>377,688</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Interest on Investments	<u>161</u>
Net Cash Provided (Used) by Interest on Investments	<u>161</u>
Net Increase (Decrease) in Cash and Cash Equivalents	128,484
Cash at Beginning of Year	<u>1,040,741</u>
Cash at End of Year	<u><u>\$ 1,169,225</u></u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>	
Net Operating Income (Loss)	\$ 19,867
<i>Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:</i>	
Depreciation Expense	162,901
Changes in Assets and Liabilities –	
Decrease (Increase) in Accounts Receivable	(124,406)
Decrease (Increase) in Other Current Assets	-
Increase (Decrease) in Accounts Payable	(308,944)
Increase (Decrease) in Accrued Liabilities	<u>1,217</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (249,365)</u></u>

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

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Minturn are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Significant accounting policies of the Town are described below.

A. Financial Reporting Entity

The Town of Minturn was organized in 1904 under Colorado State Statutes. The provisions of its home rule charter adopted in 1982 currently govern the Town. The Town operates under a Council-Mayoral form of government whereby the elected Mayor and Town Council are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with State statutes governing the Town.

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes. The reporting entity consists of (a) the primary government; i.e., the Town, and (b) organizations for which the Town is financially accountable. The Town is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria discussed above, the Town includes the Minturn General Improvement District (the GID) within its reporting entity. The GID was formed to finance the construction of infrastructure in the Battle Mountain development using a dedicated property tax on property within the development. The Town Council serves as the governing board of the GID and the Town's management has operational responsibility for the GID; therefore, the GID is blended into the Town's financial statements as a special revenue fund. The GID does not issue separate financial statements.

The Minturn Education Fund (the Education Fund), a non-profit organization, was formed in November 2012 to create a scholarship program for qualified Minturn students who meet merit and financial need criteria. The Education Fund has a separate governing board with members appointed by the Town Council; therefore, the Education Fund is discretely presented in the Town's Financial Statements. The Education Fund does not issue separate financial statements.

The Town is not financially accountable for any other entity and, therefore, the Town's financial statements do not include any additional component units, nor do they exclude any potential component units requiring inclusion in the Town's reporting entity, nor is the Town a component unit of any other government. The Town's financial statements include the accounts of all Town operations.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

The Town's basic financial statements consist of government-wide statements, including a statement of net position and statement of activities, and fund financial statements which provide a more detailed level of financial information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the Town as a whole. These statements include the financial activities of the overall primary government.

The statement of net position presents the financial condition of the governmental activities of the Town at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town's governmental activities.

In the statement of activities, direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from general revenues of the Town.

FUND FINANCIAL STATEMENTS

During the fiscal year, the Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. Fund financial statements are designed to present financial information of the Town at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if applicable, are aggregated and presented in a single column. Enterprise Funds are reported by type.

The General Fund is a major governmental fund. Due to the significance of the Battle Mountain Resort and Special Revenue Funds to the Town, these are also considered these to be major governmental funds, with the remaining nonmajor governmental funds aggregated and presented in a single column. The Water and Sanitation Fund is a major enterprise fund.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The Town's funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations or limitations based upon the purposes for which they are to be spent and by means by which spending activities are controlled. The various funds of the Town are outlined in the following paragraphs.

MAJOR GOVERNMENTAL FUNDS

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Town for any purpose provided it is expended or transferred according to general statutory laws.

Battle Mountain Resort Fund – A special revenue fund used to account for revenues received under an agreement between the Town and the developer of the Battle Mountain Resort. The agreement requires the Town to use the revenues for legal and consulting costs directly related to the development of the Battle Mountain Resort and for related general administrative costs of the Town.

Special Revenue Fund – The Special Revenue fund accounts for Town Hall rental income. The revenue is restricted for future debt obligations, maintenance and capital project funding. It is anticipated that the remaining amounts in the Special Revenue fund will be transferred to a separate special revenue fund or the capital projects fund to account for the activity.

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor governmental funds include the Conservation Trust Fund, the Minturn Market Fund, the Minturn GID Fund and the Capital Project Fund as described in the accompanying Management's Discussion and Analysis.

PROPRIETARY FUND

Water and Sanitation Fund – An enterprise fund that is used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges for, in this case, the provision of Water and Sanitation services.

DISCRETELY PRESENTED COMPONENT UNIT

Minturn Education Fund – A legally separate organization with a separate governing board that accounts for scholarships for qualified Minturn students.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are prepared using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town receives value without directly giving equal value in return, consist of property taxes, other taxes and fines and penalties. All assets and all liabilities associated with the operation of the Town are included on the statement of net position.

FUND FINANCIAL STATEMENTS

All governmental funds are accounted for using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between government-wide and governmental fund statements. Under this method, revenues are recognized when measurable and available. The Town considers all revenues available if they are collected within 60 days after year-end. Those revenues susceptible to accrual are property taxes, sales taxes, highway user taxes, and reimbursements from developers for professional fees.

Taxpayer-assessed local property and specific ownership taxes are considered “measurable” when in the hands of intermediary collecting governments and are recognized as revenue at that time. Expenditures are recorded when the related fund liability is incurred, except for outstanding general long-term liabilities which are reported as expenditures when paid.

Like the government-wide financial statements, the enterprise fund is accounted for using a flow of economic resources measurement focus. This basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred. All assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of changes in revenues, expenses, and changes in net position, presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows reflects how the Town finances and meets the cash flow needs of its enterprise fund.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting

The Town annually adopts budgets for all funds as required by its Home Rule Municipal Charter. This formal budgetary integration is employed as a management control device during the year for all funds. As required by the Home Rule Charter and Colorado Statutes, the Town follows this timetable in approving and enacting a budget for the ensuing year:

- 1) Prior to August 25, the County Assessor sends the Town the preliminary certified assessed valuation of all taxable property within the Town's boundaries.
- 2) The Mayor, or other qualified persons appointed by the Council, submits to the Council, on or before October 15, a recommended budget which details the necessary property taxes needed along with other available revenues to meet the Town's operating requirements. The Mayor is to submit to the Council a long-range capital program two weeks before the submission of the recommended budget.
- 3) The Council holds a public hearing on the proposed budget and capital program no later than 45 days prior to the close of the fiscal year.
- 4) Prior to December 10, the County Assessor sends the Town the final certified assessed valuation of all taxable property within the Town's boundaries.
- 5) Prior to December 15, the Town Council computes and certifies to the County Commissioners a rate of levy that will derive the necessary property taxes as computed in the proposed budget.
- 6) After the required public hearing, the Town Council adopts the proposed budget, by ordinance, prior to December 15. The ordinance adopting the budget also legally appropriates expenditures for the upcoming year.
- 7) After adoption of the budget ordinance, the Town may make, by ordinance, the following changes: (a) supplemental appropriations of revenues to the extent of revenues in excess of the estimated budget; (b) emergency appropriations; and (c) reduction of appropriations for which originally estimated revenues are insufficient. At any time during the year, the Town Council may, by resolution, transfer part or all of any unexpended funds from one department or office to another.
- 8) Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on the final, legally amended budget.
- 9) Budget appropriations lapse at the end of each year.

The Town legally adopted annual budgets for all of the Town's funds for 2023.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting (continued)

During the year the Town amended its budgeted appropriations as follows:

	Original	Revised	Increase (Decrease)
General Fund	\$ 2,672,455	\$ 2,873,857	\$ 201,402
Battle Mountain Resort Fund	100,000	100,000	-
Special Revenue Fund	10,000	10,000	-
Conservation Trust Fund	15,000	15,000	-
Minturn Market Fund	37,000	56,300	19,300
Minturn GID Fund	250	250	-
Capital Project Fund	486,500	486,500	-
Water & Sanitation Fund	1,841,129	2,232,195	391,066

The budgets for the Governmental Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budgets for the Enterprise Funds are adopted on a Non-GAAP basis and are reconciled from GAAP basis to budgetary basis as follows:

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Water, & Sanitation Fund</u>			
Revenues:			
GAAP Operating Revenues	\$ 1,582,111	\$ 1,470,675	\$ (111,436)
GAAP Non-Operating Revenues	147,500	138,209	(9,291)
GAAP Capital Contributions	125,000	39,775	(85,225)
GAAP Loan Proceeds	320,000	457,925	137,925
Total Budgetary Based Revenues	<u>\$ 2,174,611</u>	<u>\$ 2,106,584</u>	<u>\$ (68,027)</u>
Expenses			
GAAP Operating Expenses	\$ 1,604,384	\$ 1,174,618	\$ 429,766
GAAP Non-Operating Expenses	74,287	46,507	27,780
Capital Outlay	314,500	206,006	108,494
Depreciation	108,200	162,901	(54,701)
Debt Principal	130,824	79,061	51,763
Total Budgetary Based Expenses	<u>\$ 2,232,195</u>	<u>\$ 1,669,093</u>	<u>\$ 563,102</u>

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Investments

The Town's policy in determining which items are treated as cash equivalents on the statement of cash flows in the Proprietary Funds include all cash, demand deposits, treasury bills and other short-term, highly liquid investments (including restricted assets) that are readily convertible to cash and have original maturities of three months or less.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value. *(See other required disclosures for cash and investments in Note 2.)*

G. Receivables

The Town considers customer accounts receivable for service fees to be fully collectible. The Town is empowered to place a lien on real property in the case of nonpayment; accordingly, no allowance for doubtful accounts is considered necessary.

H. Capital and Right-of-Use Assets – Depreciation and Amortization

Capital assets purchased or acquired that have an estimated useful life of more than one year and an original cost in excess of the capitalization threshold of \$5,000 set by the Town are reported at historical or estimated historical cost. Contributed assets are reported at fair market value as of the date received, with the exception of those donated prior to January 1, 2004 which are not reported in the financial statements. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Water and Sanitation Systems	20-50 years
Recreation Systems	35 years
Streets	50 years
Buildings and Improvements	10-50 years
Machinery and equipment	5-10 years

The Town also reports leased assets at the Net Present Value of future payments and amortizes leased assets over the lesser of the lease term or the useful life. The Town currently has no reportable ROU assets.

On the government-wide statement of activities, governmental funds depreciation expense is included in the various expenses of functions or programs on capital assets specifically identified with a function and for "shared" capital assets generally used by only a few functions that can be specifically identified to those functions. Depreciation expense for capital assets that essentially serve all functions are reported as a separate line in the statement of activities as unallocated depreciation, if applicable *(see Note 3)*.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- I. Property Taxes Receivable and Deferred Inflows-Unavailable Property Tax Revenues
Property taxes in the State of Colorado are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded in the accompanying financial statements as a receivable and as deferred inflow of resources. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2022 were collected in 2023 and taxes certified in 2023 will be collected in 2024. Taxes to be collected are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (no later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.
- J. Proprietary Funds – Operating Revenues and Expenses
Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the Town, these revenues are charges for Water and Sanitation services. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise funds.
- K. Proprietary Funds – Contributed Capital
Grants and contributions in the enterprise funds which may be used for either operations or capital expenditures at the discretion of the Town are recognized as non-operating revenues. If expenditure of funds is the prime factor for determining eligibility for contributed funds, revenue or contributed capital is recognized at the time of making the expenditure.
- L. Compensated Absences
The Town's policy is to permit employees to accumulate a limited amount of earned but unused paid time off (PTO) for up to two years. Upon termination of employment from the Town, an employee is compensated for all accrued PTO at 30% to 50% of their pay rate, depending on years of service. For governmental funds the liability for compensated absences is in the Statement of Net Positions but not the Fund Statements since it is anticipated that none of the liability will be liquidated with expendable available financial resources. A liability is reported in the governmental fund financial statements only when payment is due. Any liability for compensated absences of enterprise activities is accrued in the proprietary funds.
- M. Inter-fund Transactions
Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the fund providing services and as expenditures/expenses in the fund receiving services. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in the governmental funds and are non-operating revenues/expenses in the enterprise fund. Transfers among funds are provided for as part of the budget process. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Internal Balances

During the year, the Town may have transactions between funds to finance operations and provide services and to allocate combined cash balances. To the extent that certain transactions or budget transfers between funds have not been paid or received as of year-end, balances of inter-fund amounts receivable or payable are recorded. All inter-fund balances that exist within governmental activities are eliminated on the government-wide statement of net position.

O. Long-term Obligations

In the government-wide financial statements and in the proprietary fund financial statements, long-term debt and other long-term obligations not expected to be satisfied within the next fiscal year are reported as liabilities. Debt premiums, discounts and refunding losses are deferred and amortized over the life of the debt using the straight-line method.

In the governmental fund financial statements, the face amount of the debt issued is reported as 'other financing sources.' Premiums received on debt issuances are reported as 'other financing sources' and discounts are reported as 'other financing uses.'

Issuance costs of long-term obligations, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.

P. Net Position and Fund Balances

In the government-wide financial statements, net position is classified as follows:

Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component. Accumulated depreciation and the outstanding debt balances that are attributable to (already invested in) the acquisition, construction or improvement of these assets reduce this category.

Restricted – assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by various enabling legislation.

Unrestricted – represents the amount which is not restricted for any purpose. It is the Town's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Net Position and Fund Balances - continued

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – when applicable, amounts that cannot be spent because they are either in non-spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of permanently restricted funds to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale, when applicable.

Restricted – when constraints are placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Conservation Trust – Amounts from lottery monies from the State of Colorado *restricted* for use in the acquisition, development and maintenance of new conservation and recreation sites pursuant to Colorado Revised Statutes. At December 31, 2023 \$80,849 was restricted in the Conservation Trust Fund.

Special Revenue – Amounts on deposit *restricted* for future debt service in accordance with long-term debt agreements and maintenance of Town property. At December 31, 2023 the remaining amount was \$32,430 in the Special Revenue Fund.

Emergency Reserves – As discussed in *Note 13*, Colorado voters passed an amendment to the State Constitution, one of the provisions of which requires local governments to establish an emergency reserve which is calculated at 3% of certain expenditures, to only be expended in cases of emergencies as defined by the amendment, and only after unrestricted resources are depleted. Total Emergency Reserves at December 31, 2023 were \$93,000.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Town Council). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

Battle Mountain Resort – a total of \$91,287 is committed for costs directly related to the development of the Battle Mountain Resort.

Capital Projects – a total of \$517,463 is committed for capital projects using a dedicated use tax.

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Minturn Market – A total of \$5,495 is assigned in the Minturn Market Fund.

General Improvement District – A total of \$2,959 is assigned in the GID Fund.

Unassigned – the residual for the general purposes.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Net Position and Fund Balances - continued

Governmental fund balances - *continued*:

The Town has not established a formal policy for its use of restricted and unrestricted fund balances. However, in practice it is to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available, followed by committed and assigned amounts which are considered to have been spent first when an expenditure is incurred for purposes for which such categories and unassigned amounts are available.

Q. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

R. Fair Value Measurements

The Town reports its investments using the fair value measurements established by generally accepted accounting principles. As such, fair value hierarchy categorizes the inputs used to measure the fair value into three levels. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3 inputs are unobservable inputs. At December 31, 2023, the Town's investments in ColoTrust were reported at the net asset value per share, measured utilizing quoted prices in active markets for similar investments. Investments in CSafe are valued at amortized cost.

S. Jointly Governed Organization

In March 2013, the Town entered into a memorandum of understanding with the Ski and Snowboard Club Vail, a non-profit organization, to construct the Minturn Fitness Center. Each party contributed \$1.25 million for initial construction of the facility and the parties formed a separate non-profit entity to own and operate the facility. This entity is governed by a board of directors that jointly and equally represent the parties.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - CASH AND INVESTMENTS

A. Deposits and Investments

In order to facilitate the recording of cash transactions and maximize interest earnings, the Town has pooled cash deposits for all funds. The Town maintains accountability for each fund's equity in pooled cash and investments.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA.

It is the policy of the Town to invest public funds in a manner which will provide the highest investment return with the maximum security, meet the daily cash flow demands of the Town, and conform to all federal, state and local statutes governing the investment of public funds. This policy applies to the investment of all financial assets of all funds of the Town over which it exercises financial control. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities, including securities issued by FNMA (Federal National Mortgage Association), GNMA (Governmental National Mortgage Association), FHLMC (Federal Home Loan Mortgage Corporation), the Federal Farm Credit Bank, the Federal Land Bank, the Export-Import Bank, and by the Tennessee Valley Authority, and certain international agency securities, including the World Bank.
- . General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies.
- . Bankers' acceptances of certain banks
- . Certain securities lending agreements
- . Commercial paper
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools
- . Investing in the local government's own securities, including certificates of participation and lease obligations.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - CASH AND INVESTMENTS (continued)

A. Deposits and Investments (continued)

At December 31, 2023 Town's bank deposits were entirely covered by federal depository insurance (FDIC) or collateralized under PDPA in accordance with state statute, and had bank balances of \$5,114,850 of which \$250,000 was covered by FDIC insurance and \$4,864,850 by PDPA as described above.

At December 31, 2023, total cash and cash equivalents consisted of the following:

Checking & Savings Deposits	\$ 270,435
Investments	<u>4,844,415</u>
Total Balances	5,114,850
Net Outstanding Items	<u>(244,828)</u>
Total Cash & Cash Equivalents	<u>\$ 4,870,022</u>

Local Government Investment Pool (ColoTrust)

As of December 31, 2023, the Town had invested \$4,817,061 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. As of December 31, 2023, the Town had \$912,101 invested in COLOTRUST PRIME, and \$3,904,960 invested in COLOTRUST PLUS+. Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form. Information regarding ColoTrust's financial statements is available at their website www.colotrust.com.

Local Government Investment Pool (CSAFE)

CSAFE is considered a 2a7-like investment and is valued at amortized cost. The 2a7-like investments do not have any unfunded commitments, redemption restrictions, or redemption notice periods and conform to Colorado Statute CRS 24-75-601, et seq., and therefore invest primarily in securities of the United States Treasury, United States Agencies, primary dealer repurchase agreements, highly rated commercial paper, highly rated corporate bonds, Colorado Depositories collateralized at 102% of market value investments and will conform to its permitted investments and meet S&P investment guidelines to achieve a AAAm rating, the highest attainable rating for a Local Government Investment Pool. Information regarding CSAFE's financial statements is available at the website www.csafe.org. As of December 31, 2023 the Town had \$27,354, invested in CSAFE.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 2 - CASH AND INVESTMENTS (continued)

A. Deposits and Investments (continued)

State Statutes also limit investments in money market funds to those that maintain a constant share price, with a maximum remaining maturity in accordance with the Security and Exchange Commission's Rule 2a-7, and either have assets of one billion dollars or the highest rating issued by one or more nationally recognized statistical rating organizations.

B. Risk Disclosures

Additional investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are included in the notes below.

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers. The Town's investments described above had ratings as follows:

	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
Colotrust (Local Govt Investment Pool)	\$ 4,817,061	AAAm	Standard & Poors
CSAFE (Local Govt Investment Pool)	\$ 27,354	AAAm	Standard & Poors

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. The Town's policy places no limit on the amount the Town may invest in any one issuer; however, the Town maintains general guidelines for investments to ensure proper diversification by security type and institution. All investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by the Public Depository Protection Act, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The Town maintains an investment policy that limits investment maturities to three years as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows

The Town was not subject to foreign currency risk as of December 31, 2023.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3 - CAPITAL ASSETS

Governmental Activities:

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

	Balances 01/01/23	Additions	Reductions	Balances 12/31/23
<i>GOVERNMENTAL ACTIVITIES</i>				
Non-depreciable Assets:				
Land and Sites	\$ 3,579,470	\$ -	\$ -	\$ 3,579,470
Construction-in-Progress	-	-	-	-
Depreciable Capital Assets:				
Streets	4,120,027	-	-	4,120,027
Bldgs & Improvements	3,926,324	-	-	3,926,324
Machinery & Equipment	613,328	42,652	(74,169)	581,811
Total at Historical Cost	12,239,149	42,652	(71,169)	12,207,632
<i>Less Accumulated Depreciation:</i>				
Streets	(325,599)	(82,407)	-	(408,006)
Bldgs & Improvements	(1,826,533)	(75,251)	-	(1,901,784)
Machinery & Equipment	(498,400)	(24,231)	74,169	(448,462)
Total Accum. Depreciation	(2,650,532)	(181,889)	74,169	(2,758,252)
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 9,588,617	\$ (139,237)	\$ -	\$ 9,449,380

For the fiscal year ending December 31, 2023, depreciation expense for governmental activities of \$181,889 has been included in the various functions on the statement of activities as follows:

General Government	\$ 69,982
Public Works	111,907
Total Governmental Depreciation	\$ 181,889

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 3 - CAPITAL ASSETS (continued)

Business-type Activities:

Capital asset activity for Business-Type Activities for the year ended December 31, 2023, was as follows:

	Balances 01/01/23	Additions	Reductions	Balances 12/31/23
<i>BUSINESS-TYPE ACTIVITIES</i>				
Non-depreciable Assets:				
Construction-in-Progress	\$ 2,538,049	\$ 63,165	\$ (2,499,911)	\$ 101,303
Depreciable Capital Assets:				
Water & Sanitation Sys	3,523,330	2,499,911	-	6,023,241
Recreation Systems	203,520	-	-	203,520
Equipment	439,067	29,552	-	468,619
Total at Historical Cost	<u>6,703,966</u>	<u>2,592,628</u>	<u>(2,499,911)</u>	<u>6,796,683</u>
<i>Less Accumulated Depreciation:</i>				
Water & Sanitation Sys	(2,247,507)	(121,948)	-	(2,369,455)
Recreation Systems	(78,672)	(4,757)	-	(83,429)
Equipment	(303,037)	(36,196)	-	(339,233)
Total Accum. Depreciation	<u>(2,629,216)</u>	<u>(162,901)</u>	<u>-</u>	<u>(2,792,117)</u>
<i>BUSINESS-TYPE ACTIVITIES</i>				
CAPITAL ASSETS, NET	<u>\$ 4,074,750</u>	<u>\$ 2,429,727</u>	<u>\$ (2,499,911)</u>	<u>\$ 4,004,566</u>

Business-type Activities construction-in-progress includes accumulated costs of \$101,303 for the water line extension project. The project is anticipated to be completed in the near future.

For the fiscal year ending December 31, 2023, depreciation expense for business-type activities of \$162,901 has been included in the various functions on the statement of activities as follows:

Water & Sanitation	<u>\$ 162,901</u>
Total Business-Type Depreciation	<u>\$ 162,901</u>

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 - LONG-TERM OBLIGATIONS

Changes in the Town's long-term obligations during the fiscal year ended December 31, 2023 are as follows:

	Balances 01/01/23	Additions	Reductions	Balances 12/31/23	Amounts Due Within One Year
<i>GOVERNMENTAL</i>					
<u>ACTIVITIES</u>					
Accrued PTO	\$ 20,292	\$ 41,981	\$ (36,966)	\$ 25,307	\$ 25,307
GOVERNMENTAL					
LONG-TERM					
OBLIGATIONS	\$ 20,292	\$ 41,981	\$ (36,966)	\$ 25,307	\$ 20,307

Total compensated absences (accrued PTO) for governmental activities, consisting of accrued vacation and sick pay, in the amount of \$25,307 have been accrued on the financial statements and are expected to be liquidated primarily with revenues of the General Fund; however, they are not anticipated to be satisfied in the current period.

	Balances 01/01/23	Additions	Reductions	Balances 12/31/23	Amounts Due Within One Year
<i>BUSINESS-TYPE</i>					
<u>ACTIVITIES</u>					
1997B Note	\$ 150,483	\$ -	\$ (7,596)	\$ 142,887	\$ 7,393
CWR & PDA	1,807,188	1,192,812	(71,465)	2,928,535	125,080
Accrued PTO	28,243	41,261	(40,044)	29,460	29,460
BUSINESS-TYPE					
LONG-TERM					
OBLIGATIONS	\$ 1,985,914	\$ 1,234,073	\$ (119,105)	\$ 3,100,882	\$ 161,933

Total compensated absences (Accrued PTO) for business-type activities, consisting of accrued vacation and sick pay, in the amount of \$29,460 has been accrued on the financial statements and is not anticipated to be satisfied in the current period.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 4 - LONG-TERM OBLIGATIONS (continued)

Rural Development Notes

1997B Water Revenue Notes were issued to finance improvements to the Town's water system. Principal and interest payments are due semi-annually at a rate of 4.875% per annum through April 1, 2037 and are paid by the Water and Sanitation Fund.

The annual debt service requirements of the Rural Development Notes are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,393	\$ 7,448	\$ 14,841
2025	8,287	6,554	14,841
2026	8,700	6,141	14,841
2027	9,134	5,707	14,841
2028	9,590	5,251	14,841
2029-2032	55,627	18,577	74,204
2033-2037	43,656	4,109	47,765
Total	<u>\$ 142,887</u>	<u>\$ 53,287</u>	<u>\$ 196,174</u>

Colorado Water Resources & Power Development Authority - Loan

The Town entered into a loan agreement dated December 28, 2021 between the Colorado Water Resources & Power Development Authority (CWR & PDA) and the Town of Minturn Water and Sanitation Activity Enterprise Fund for the construction of a water storage tank. The loan is approved in the amount of \$3,000,000 with an interest rate of 2.250% per annum, secured by water user services charges and fees. Semi-annual payments are due May 1, and November 1, for the next 20-years. To date the Town has drawn \$1,807,188 of funding. The loan carries a 20-year term maturing November 1, 2042.

The annual debt service requirements of the Colorado Water Resources & Power Development Authority loan are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 125,080	\$ 65,192	\$ 190,272
2025	127,910	62,362	190,272
2026	130,804	59,468	190,272
2027	133,764	56,508	190,272
2028	136,790	53,482	190,272
2029-2032	731,802	219,559	951,361
2033-2037	818,425	132,935	951,360
2038-2042	723,960	37,129	761,089
Total	<u>\$ 2,928,535</u>	<u>\$ 686,635</u>	<u>\$ 3,615,170</u>

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 6 - LEASES

Lessor - The Town is lessor for noncancellable leases of land and buildings. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines the following:

Discount Rate: The Town uses the daily United States Treasury Yield Rate as the discount rate to discount the expected lease receipts to present value.

Lease Term: The lease term includes the noncancellable period of the lease and extended term(s) that the Town is reasonably certain the lessee will exercise.

Lease Receipts: Lease receipts included in the measurement of the lease receivable are composed of fixed and increasing payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable

NOTE 5 - INTERFUND TRANSACTIONS

The Special Revenue Fund makes a transfer to the Capital Project Fund for current and future capital projects. These interfund transfers during the year ended December 31, 2023, were as follows:

	<u>Transfers In (Out)</u>
Special Revenue Fund	\$ (96,223)
Capital Projects Fund	<u>96,223</u>
Total	<u>\$ -</u>

NOTE 6 - DEFERRED COMPENSATION PLAN

All employees are eligible to participate in an Internal Revenue Code Section 401(a) pension plan beginning six months from date of hire. The contribution requirements of Plan Participants and the Town are established and may be amended by the Town Council. Employees may contribute up to 4% of base salary to the Plan. The Town is required to match each employee's contribution up to 4% of base salary. In addition, employees may make voluntary contributions to the Plan within certain limits. The Town's contributions vest immediately, except for employees hired after February 1, 2009, for which contributions vest at 25% each year. During the year ended December 31, 2023 the Town and employee contributions to the Plan were \$37,607 and \$50,202, respectively, equal to their required contributions to the Plan.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 - RISK MANAGEMENT

The Town is exposed to the risk of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; or natural disasters. The Town purchases commercial insurance for its workers compensation claims. For other risks of loss, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a joint self-insurance pool created by an intergovernmental agreement of municipalities to provide property, general and automobile liability, public official, and workers compensation coverage to its members. A seven-member Board elected by and from its members governs CIRSA. Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts that are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

There is no current or long-term debt outstanding and the above liabilities include reserves for incurred claims and an estimated liability for incurred but not reported claims at December 31, 2023. No claim or judgment liability has been recorded in the Town's financial statements as the risk of liability is pooled with other members under CIRSA. The Town's settled claims have not exceeded their insurance coverage in any of the last three years. Additional information may be obtained from separately issued CIRSA financial statements by contacting CIRSA at 950 South Cherry Street, Suite 800, Denver, CO 80246 or (303) 757-5475.

NOTE 8 - COMMITMENTS

During the normal course of business, the Town may incur claims and other assertions against it from various agencies and individuals. Management of the Town and their legal representatives consider any such claims or assertions to be without merit and believe the outcome will not materially affect the fairness of the presentation of the financial statements at December 31, 2023.

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 9 - COMPLIANCE

A. TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which imposes several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. In 1994, the Town's electorate voted to allow the Town to collect, retain, and expend revenues notwithstanding any of TABOR's restrictions.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding voter approved debt service). The required reserve at December 31, 2023 is \$93,000.

The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the Amendment. However, the entity has made certain interpretations of the Amendment's language in order to determine its compliance.

B. Debt Covenants

The Town is in compliance with required debt covenants.

C. Contraband

The Colorado Contraband Forfeiture Act (C.R.S. 16-13-501 to 511) addresses the accounting for proceeds from the seizure of contraband. These funds must be used for the specific purpose of law enforcement activities. While these proceeds are exempt from the appropriation process, they are subject to Local Government Audit Law (C.R.S. 29-1-601 to 608). For the year ended December 31, 2023 no proceeds were received by the Town and as such are not included in the Town's audited financial statements.

NOTE 11 - RESTATEMENT OF BEGINNING NET POSITION/FUND BALANCE

Effective January 1, 2022 the Town implemented the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, which requires retroactive restatement under provisions of the standard, the following additional leases have been implemented.

General Fund Balance as of December 31,	
2022, as previously stated	\$ 2,695,033
Leases Receivable, Net	255,479
Deferred Inflows Related to Leases	<u>(250,371)</u>
Fund Balance of Governmental Activities	
as of December 31, 2022, as Restated	<u>\$ 2,700,141</u>
Special Revenue Fund Balance as of December 31,	
2022, as previously stated	\$ 21,164
Leases Receivable, Net	268,526
Deferred Inflows Related to Leases	<u>(266,653)</u>
Fund Balance of Governmental Activities	
as of December 31, 2022, as Restated	<u>\$ 23,037</u>

TOWN OF MINTURN, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2023 through the issuance date of this report. There have been no additional material events noted during this period that would impact the result reflected in this report or the Town's results going forward.

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REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISON SCHEDULES FOR THE
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS

Draft
Pending Board Acceptance

TOWN OF MINTURN, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Taxes	\$ 1,923,723	\$ 1,923,723	\$ 1,966,765	\$ 43,042
Licenses and Permits	185,500	301,500	347,155	45,655
Fines & Forfeitures	15,000	35,000	34,219	(781)
Intergovernmental	153,113	153,113	130,166	(22,947)
Miscellaneous	196,450	204,922	178,751	(26,171)
Interest & Investment Income	35,000	200,000	214,220	14,220
Total Revenues	2,508,786	2,818,258	2,871,276	53,018
<u>Expenditures:</u>				
General Government	1,158,184	1,302,471	1,047,352	255,119
Planning & Zoning	322,699	341,775	258,087	83,688
Municipal Court	12,650	12,650	10,334	2,316
Police	481,669	481,669	438,163	43,506
Public Works	170,275	190,314	183,686	6,628
Parks and Recreation	391,978	485,685	466,002	19,683
Capital Outlay	50,000	50,000	50,000	-
Contingency	85,000	9,293	-	9,293
Total Expenditures	2,672,455	2,873,857	2,453,624	420,233
Excess Revenues Over (Under) Expenditures	(163,669)	(55,599)	417,652	473,251
<u>Other Financing Sources and (Uses):</u>				
Transfers from Other Funds	-	-	-	-
Transfers (to) Other Funds	-	-	-	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(163,669)	(55,599)	417,652	473,251
Fund Balances – Beginning (Restated)	2,695,033	2,695,033	2,700,141	5,108
Fund Balances – Ending	\$ 2,531,364	\$ 2,639,434	\$ 3,117,793	\$ 478,359

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

TOWN OF MINTURN, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – BATTLE MOUNTAIN RESORT FUND
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Battle Mountain Revenue	\$ 100,000	\$ 100,000	\$ 50,000	\$ (50,000)
Interest and Investment Income	2,500	7,000	6,399	(601)
Total Revenues	102,500	107,000	56,399	(50,601)
<u>Expenditures:</u>				
General Government	100,000	100,000	44,410	100,000
Total Expenditures	100,000	100,000	44,410	100,000
Excess Revenues Over (Under) Expenditures	2,500	7,000	11,989	49,399
Fund Balances – Beginning	79,298	79,298	79,298	-
Fund Balances – Ending	\$ 81,798	\$ 86,298	\$ 91,287	\$ 49,399

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

SUPPLEMENTAL INFORMATION

SPECIAL REVENUE BUDGETARY COMPARISON SCHEDULES

AND

INDIVIDUAL FUND BUDGETARY COMPARISON SCHEDULES

Draft
Pending Board Acceptance

TOWN OF MINTURN, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
– BUDGET AND ACTUAL – SPECIAL REVENUE FUND
For the Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Rental Income	\$ 106,223	\$ 106,223	\$ 103,543	\$ (2,680)
Interest and Investment Income	<u>-</u>	<u>-</u>	<u>2,073</u>	<u>2,073</u>
Total Revenues	<u>106,223</u>	<u>106,223</u>	<u>105,616</u>	<u>(607)</u>
<u>Expenditures:</u>				
Repairs and Maintenance	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Excess Revenues Over (Under) Expenditures	96,223	96,223	105,616	9,393
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers (Out)	<u>(96,223)</u>	<u>(96,223)</u>	<u>(96,223)</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	9,393	9,393
Fund Balance – Beginning (Restated)	<u>21,164</u>	<u>21,164</u>	<u>23,037</u>	<u>1,873</u>
Fund Balance – Ending	<u>\$ 21,164</u>	<u>\$ 21,164</u>	<u>\$ 32,430</u>	<u>\$ 11,266</u>

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

TOWN OF MINTURN, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	Conservation Trust	Minturn Market	Minturn GID	Capital Projects	Total
<u>ASSETS:</u>					
Cash & Investments	\$ 80,849	\$ 5,495	\$ 2,959	\$ 530,563	\$ 619,866
Restricted Cash & Investments	-	-	-	-	-
TOTAL ASSETS	80,849	5,495	2,959	530,563	619,866
<u>LIABILITIES:</u>					
Accounts Payable	-	-	-	13,100	13,100
TOTAL LIABILITIES	-	-	-	13,100	13,100
<u>FUND BALANCES:</u>					
Restricted for –					
Conservation Trust	80,849	-	-	-	80,849
Committed to –					
Capital Projects	-	-	-	517,463	517,463
Assigned to –					
Minturn Market	-	5,495	-	-	5,495
Gen Improvement District	-	-	2,959	-	2,959
TOTAL FUND BALANCES	80,849	5,495	2,959	517,463	606,766
TOTAL LIABILITIES AND FUND BALANCES	\$ 80,849	\$ 5,495	\$ 2,959	\$ 530,563	\$ 619,866

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

TOWN OF MINTURN, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	Conservation Trust	Minturn Market	Minturn GID	Capital Projects	Total
<u>Revenues:</u>					
Intergovernmental	\$ 14,117	\$ -	\$ -	\$ 111,998	\$ 126,115
Miscellaneous	-	29,254	-	-	29,254
Interest and Investment Income	3,712	1	-	13,110	16,823
Total Revenues	17,829	29,255	-	125,108	172,192
<u>Expenditures:</u>					
General Government	-	51,260	-	55,846	107,106
Purchased Services	-	-	-	-	-
Parks and Recreation	-	-	-	39	39
Total Expenditures	-	51,260	-	55,885	107,145
Excess Revenues Over (Under) Expenditures	17,829	(22,005)	-	69,223	65,047
<u>Other Financing Sources (Uses):</u>					
Transfers In	-	-	-	93,223	93,223
Transfers (Out)	-	-	-	-	-
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	17,829	(22,005)	-	165,446	161,270
Fund Balances - Beginning	63,020	27,500	2,959	352,017	445,496
Fund Balances - Ending	\$ 80,849	\$ 5,495	\$ 2,959	\$ 517,463	\$ 606,766

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

TOWN OF MINTURN, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
– BUDGET AND ACTUAL – CONSERVATION TRUST FUND
For the Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Intergovernmental	\$ 10,000	\$ 15,000	\$ 14,117	\$ (883)
Interest and Investment Income	<u>400</u>	<u>800</u>	<u>3,712</u>	<u>2,912</u>
Total Revenues	<u>10,400</u>	<u>15,800</u>	<u>17,829</u>	<u>2,029</u>
<u>Expenditures:</u>				
Parks and Recreation	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Excess Revenues Over (Under) Expenditures	(4,600)	800	17,829	17,029
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(4,600)	800	17,829	17,029
Fund Balance – Beginning	<u>63,020</u>	<u>63,020</u>	<u>63,020</u>	<u>-</u>
Fund Balance – Ending	<u>\$ 58,420</u>	<u>\$ 63,820</u>	<u>\$ 80,849</u>	<u>\$ 17,029</u>

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

TOWN OF MINTURN, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
– BUDGET AND ACTUAL – MINTURN MARKET FUND
For the Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Minturn Market	\$ 31,000	\$ 31,000	\$ 19,254	\$ (11,746)
Grants and Contributions	6,000	10,000	10,000	-
Interest and Investment Income	-	-	1	1
Total Revenues	<u>37,000</u>	<u>41,000</u>	<u>29,255</u>	<u>(11,745)</u>
<u>Expenditures:</u>				
Minturn Market	<u>37,000</u>	<u>56,300</u>	<u>51,260</u>	<u>5,040</u>
Total Expenditures	<u>37,000</u>	<u>56,300</u>	<u>51,260</u>	<u>5,040</u>
Excess Revenues Over (Under) Expenditures	-	(15,300)	(22,005)	(6,705)
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	(15,300)	(22,005)	(6,705)
Fund Balance – Beginning	<u>27,500</u>	<u>27,500</u>	<u>27,500</u>	<u>-</u>
Fund Balance – Ending	<u>\$ 27,500</u>	<u>\$ 12,200</u>	<u>\$ 5,495</u>	<u>\$ (6,705)</u>

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

TOWN OF MINTURN, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
– BUDGET AND ACTUAL – MINTURN GENERAL IMPROVEMENT DISTRICT (GID)
For the Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues :</u>				
GID Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>				
General Government	<u>250</u>	<u>250</u>	<u>-</u>	<u>250</u>
Total Expenditures	<u>250</u>	<u>250</u>	<u>-</u>	<u>250</u>
Excess Revenues Over (Under) Expenditures	(250)	(250)	-	250
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(250)	(250)	-	250
Fund Balance – Beginning	<u>2,959</u>	<u>2,959</u>	<u>2,959</u>	<u>-</u>
Fund Balance – Ending	<u>\$ 2,709</u>	<u>\$ 2,709</u>	<u>\$ 2,959</u>	<u>\$ 250</u>

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

TOWN OF MINTURN, COLORADO
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
– BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
For the Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Use Tax	\$ 100,000	\$ 100,000	\$ 111,998	\$ 11,998
Interest and Investment Income	<u>4,500</u>	<u>12,000</u>	<u>13,110</u>	<u>1,110</u>
Total Revenues	<u>104,500</u>	<u>112,000</u>	<u>125,108</u>	<u>13,108</u>
<u>Expenditures:</u>				
Parks and Recreation	56,500	56,500	55,846	654
Vehicles and Equipment	170,000	170,000	-	170,000
Purchased Services	<u>260,000</u>	<u>260,000</u>	<u>39</u>	<u>259,961</u>
Total Expenditures	<u>486,500</u>	<u>486,500</u>	<u>55,885</u>	<u>430,615</u>
Excess Revenues Over (Under) Expenditures	(382,000)	(374,500)	69,223	443,723
<u>Other Financing Sources (Uses):</u>				
Transfers In	96,223	96,223	96,223	-
Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	(285,777)	(278,277)	165,446	443,723
Fund Balance – Beginning	<u>352,017</u>	<u>352,017</u>	<u>352,017</u>	<u>-</u>
Fund Balance – Ending	<u>\$ 66,240</u>	<u>\$ 73,740</u>	<u>\$ 517,463</u>	<u>\$ 443,723</u>

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

SUPPLEMENTAL INFORMATION

PROPRIETARY (ENTERPRISE) FUND

Draft
Pending Board Acceptance

TOWN OF MINTURN, COLORADO
SCHEDULE OF BUDGETARY BASED REVENUES AND EXPENDITURES
– BUDGET AND ACTUAL – WATER AND SANITATION ENTERPRISE FUND
For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Operating Revenues:</u>				
Water User Fees	\$ 1,220,000	\$ 1,220,000	\$ 1,180,040	\$ (39,360)
Water User Debt Fees	205,111	205,111	146,406	(58,705)
Garbage Collection Fees	122,000	135,000	120,145	(14,855)
Tap Fees	127,500	147,500	138,048	(9,452)
Grants	125,000	125,000	39,775	(85,225)
Miscellaneous	19,000	22,000	24,084	2,084
Interest Income	-	-	161	161
CWR & PDA Loan Proceeds	-	320,000	457,925	137,925
Total Budgetary Based Revenues	<u>1,818,611</u>	<u>2,174,611</u>	<u>2,106,584</u>	<u>(68,027)</u>
<u>Expenditures:</u>				
Salaries	230,027	256,682	193,755	62,927
Payroll Taxes & Benefits	96,790	99,500	81,131	18,369
Supplies	41,000	116,000	98,231	17,769
Purchased Services	977,901	1,003,777	674,649	329,128
Maintenance	52,600	128,425	126,852	1,573
Capital Outlay	129,500	314,500	206,006	108,494
Depreciation	108,200	108,200	162,901	(54,701)
Debt Service:				
Principal	130,824	130,824	79,061	51,763
Interest	<u>74,287</u>	<u>74,287</u>	<u>46,507</u>	<u>27,780</u>
Total Budgetary Based Expenditures	<u>1,841,129</u>	<u>2,232,195</u>	<u>1,669,093</u>	<u>563,102</u>
Budgetary Based Net Income (Loss)	(22,518)	(57,584)	437,491	495,075
Beginning Available Funds	<u>2,795,957</u>	<u>2,795,957</u>	<u>2,872,350</u>	<u>76,393</u>
Ending Available Funds	<u>\$ 2,773,439</u>	<u>\$ 2,738,373</u>	<u>\$ 3,309,841</u>	<u>\$ 571,468</u>

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

SUPPLEMENTAL INFORMATION

ANNUAL STATEMENT OF RECEIPTS AND

EXPENDITURES FOR ROADS, BRIDGES AND STREETS

Draft
Pending Board Acceptance

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

LOCAL HIGHWAY FINANCE REPORT			City or County: Minturn		
			YEAR ENDING: December 2023		
This Information From The Records Of Town of Minturn		County of Eagle	Prepared By: Jay Brunvand		Phone: 970-827-5645

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	55,622
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	466,499	b. Snow and ice removal	348,823
3. Other local imposts (from page 2)	54,248	c. Other	
4. Miscellaneous local receipts (from page 2)	34,219	d. Total (a. through c.)	348,823
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	192,792
a. Bonds - Original Issues		6. Total (1 through 5)	597,237
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	554,966	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	42,271	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	597,237	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total expenditures (A.6 + B.3 + C + D)	597,237

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

V. LOCAL ROAD AND STREET FUND BALANCE					
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	597,237	597,237	0	0
Notes and Comments:					

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING:	
		December 2023	

II. RECEIPTS FOR ROAD AND STREET PURPOSES – DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	34,219
1. Sales Taxes & Use Tax		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	54,248	g. Other Misc. Receipts	
6. Total (1. through 5.)	54,248	h. Other Road & Bridge Tax	
c. Total (a. + b.)	54,248	i. Total (a. through h.)	34,219
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	37,025	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	5,246	d. Federal Transit Admin	
d. Other (Specify)		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	5,246	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	42,271	3. Total (1. + 2.g)	
			(Carry forward to page 1)

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

Notes and Comments: