

TOWN OF GRAND LAKE, COLORADO

Financial Statements

December 31, 2021

TOWN OF GRAND LAKE COLORADO

Board of Trustees

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Ernie Bjorkman	Mayor Pro-Tem
Michael Arntson	Trustee
Christina Bergquist	Trustee
Fawn Calvin-Braley	Trustee
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Town Officials

John Crone	Town Manager
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TOWN OF GRAND LAKE COLORADO

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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Trustees
Town of Grand Lake, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Grand Lake, Colorado, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4–15 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Supplementary Information, as listed in the table of contents, is 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 respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The Other Information, as listed in the table of contents, does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Duzzio & Associates, P.C.

April 1, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF GRAND LAKE, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the fiscal year ended December 31, 2021. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The Town's assets exceeded its liabilities by \$15,346,654 (net position) for the fiscal year reported.
- Total net position is comprised of the following:

Net investment in capital assets in the amount of \$9,173,493 including property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.

Net position of \$629,776 is restricted for parks and open space, debt service, capital projects and emergency reserves.

Net position of \$5,543,385, which includes committed funds for affordable housing and the cemetery, represents the portion available to maintain the Town's continuing obligations to citizens.

- Sales tax collections continue to increase. In 2021, Collections increased \$646,253, or 26% over 2020.
- The Town's governmental funds (the General and Capital Improvement Funds) report a total ending fund balance of \$3,494,081 this year.
- The General Fund ending fund balance of \$3,145,051 compares to the prior year ending fund balance of \$2,708,847 an increase of \$436,204 during the current year. At year-end, \$522,821 of the General Fund balance is restricted or committed for TABOR Emergencies, parks and open space, affordable housing and cemetery operations. \$769,151 was assigned to the 2022 budget, leaving \$1,853,079 as unassigned fund balance.
- The Capital Improvement Fund was created in 2017 by voter approval of the sale of bonds to fund streetscape improvements primarily along Grand Avenue. The ending fund balance for this fund was \$349,030 in 2021.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available. All applicable tables will present comparative data for fiscal year 2021 versus fiscal year 2020.

Government-wide Financial Statements

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective like that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the **Statement of Net Position**. This presents information that includes all the Town's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Evaluation of the overall fiscal health of the Town would extend to other non-financial factors such as diversification of the taxpayer base or the condition of Town infrastructure, in addition to the financial information provided in this report.

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

Both government-wide financial statements distinguish the governmental activities of the Town that are principally supported by sales and use taxes from the business-type activities that are intended to recover all, or a significant portion, of their costs through user fees and charges. Governmental activities include general government, public safety, public works, parks and recreation, community services, and economic development. Business-type activities, through established Enterprise Funds, include the Water Department, the Marina, and the Pay-As-You-Throw ("PAYT") trash system.

The government-wide financial statements are presented in a later section of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Town has two types of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different, with fund financial statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability, focusing on the use of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

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

The basic governmental funds financial statements are presented in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The three Town proprietary funds: Water Fund, Marina Fund, and PAYT Fund are classified as Enterprise Funds. The Enterprise Funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the governmental activities of the Town as described above.

The basic financial statements for the three enterprise funds are presented in a later section of this report.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are included in a later section of this report.

Supplementary Information

Budget to actual comparisons for the Capital Improvement Fund and the Enterprise Funds are presented in the supplementary section of this report, as well as the Local Highway Finance Report.

Financial Analysis of the Town as a Whole

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Town as a whole.

The Town's *combined* net position at fiscal year-end is \$15,346,654. The following table provides a summary of the Town's net position for 2021, compared to the 2020.

	Net Position					
	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current Assets	\$ 4,478,154	\$ 4,790,630	\$ 2,991,416	\$ 2,752,194	\$ 7,469,570	\$ 7,542,824
Capital Assets	13,687,316	10,227,033	2,331,884	2,424,253	16,019,200	12,651,286
Total Assets	18,165,470	15,017,663	5,323,300	5,176,447	23,488,770	20,194,110
Liabilities						
Current Liabilities	654,853	443,093	106,010	89,393	760,863	532,486
Long-Term	5,459,061	4,466,183	1,282,992	1,358,454	6,742,053	5,824,637
Total Liabilities	6,113,914	4,909,276	1,389,002	1,447,847	7,502,916	6,357,123
Deferred Inflows of Resources	639,200	484,726	-	-	639,200	484,726
Net Position						
Net Investment in Capital Assets	8,168,153	5,755,064	1,005,340	1,030,462	9,173,493	6,785,526
Restricted	516,610	1,503,093	113,166	106,458	629,776	1,609,551
Unrestricted	2,727,593	2,365,504	2,815,792	2,591,680	5,543,385	4,957,184
Total Net Position	\$ 11,412,356	\$ 9,623,661	\$ 3,934,298	\$ 3,728,600	\$ 15,346,654	\$ 13,352,261

Total assets amounted to \$23,488,770 in the current year, an increase of \$3,294,660 from the prior year total of \$20,194,110. Total liabilities of \$7,502,916 increased \$1,145,793 from the prior year total of \$6,357,123. Total net position increased about 15% in the current fiscal year.

Current assets totaled \$7,469,570, a decrease of \$73,254 and current liabilities of \$760,863 increased by \$228,377 in the current year.

The largest portion of the Town's net position (60%) reflects its net investment of \$9,173,493 in capital assets less the related debt used to acquire some of those assets that is still outstanding.

The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Grand Lake'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.

The Town continues to maintain a high current ratio, the current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The Town's current ratio of 10:1 is an indicator of a strong liquid financial position.

The Town reported a net position increase of \$1,788,695 for governmental activities. Sales and use tax revenue increased \$510,538. Governmental activities expenses increased \$1,094,091, mainly in the areas of administration and public works. The Water Enterprise net position increased \$95,396. The net position for the Marina Enterprise increased \$74,054. Rentals amounted to \$378,801 in 2021 compared to \$510,817 in 2020, a 26% decrease. This is the result of labor shortages. The Marina had to decrease its operating hours by closing 2 days a week and ended up closing earlier in the season when the staff had to return to school. The PAYT Enterprise saw a net position increase of \$36,248. PAYT saw a 30% increase in sales and an increase of 68% in expenses.

The following table provides a summary of the Town's changes in net position for 2021, with a comparison to 2020.

	Changes in Net Position					
	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Permits, Fees, Fines and Charges For Services	\$ 197,007	\$ 200,904	\$1,123,610	\$1,186,401	\$ 1,320,617	\$ 1,387,305
Operating Grants and Contributions	131,092	185,658	1,960	14,973	133,052	200,631
Capital Grants and Contributions	1,314,877	168,855	45,500	97,500	1,360,377	266,355
General Revenues						
Taxes	3,721,545	3,208,172	-	-	3,721,545	3,208,172
Net Investment Income	5,485	18,302	-	-	5,485	18,302
Other	108,096	15,954	-	-	108,096	15,954
Gain (Loss) on Disposition of Assets	-	-	-	9,551	-	9,551
Transfers	-	-	-	-	-	-
Total Revenues	5,478,102	3,797,845	1,171,070	1,308,425	6,649,172	5,106,270
Expenses						
General Government	1,592,452	833,159	-	-	1,592,452	833,159
Public Safety	241,839	202,654	-	-	241,839	202,654
Public Works	1,208,041	959,652	-	-	1,208,041	959,652
Grand Lake Center	218,852	231,108	-	-	218,852	231,108
Parks	175,572	199,846	-	-	175,572	199,846
Interest/Related Costs on Long-term Debt	252,651	168,897	-	-	252,651	168,897
Water	-	-	608,722	613,180	608,722	613,180
Marina	-	-	314,182	257,682	314,182	257,682
PAYT	-	-	42,468	25,244	42,468	25,244
Total Expenses	3,689,407	2,595,316	965,372	896,106	4,654,779	3,491,422
Change In Net Position	1,788,695	1,202,529	205,698	412,319	1,994,393	1,614,848
Net Position - Beginning	9,623,661	8,421,132	3,728,600	3,316,281	13,352,261	11,737,413
Net Position - Ending	\$ 11,412,356	\$ 9,623,661	\$ 3,934,298	\$ 3,728,600	\$ 15,346,654	\$ 13,352,261

GOVERNMENTAL REVENUES

The Town relies heavily on sales and use taxes to support governmental operations. In 2021, sales and use taxes were 60% of total governmental revenues for the Town decreased from the 2020 calculation of 73%. Overall, governmental activities revenues increased 44% when compared with 2020. Sales and use taxes increased \$510,538 (18%) over 2020. Capital grants and contributions revenue increased \$1,146,022 from prior year.

GOVERNMENTAL EXPENSES

Overall operating costs increased \$1,094,091 from the prior year. Public Safety accounts for approximately (7%) of the Town's total governmental expenses and Grand Lake Center accounts for (6%), while General Government (43%) and Public Works/Parks (38%) expenses together comprise (94%) of the total governmental activity costs. The remaining (6%) of costs are attributed to interest on the Town's long-term obligations.

BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

Water Enterprise Fund: Operating revenues increased 7%, or \$45,253 from prior year, primarily due to higher water sales. Operating costs were relatively flat in the current year compared to prior year. This business-type activity reported an operating income of \$76,638 in the current year, compared to an operating income of \$28,557 in 2020.

Marina Enterprise Fund: The Marina Enterprise Fund was established in 2007. Pontoon and speed boat rentals, lake tours and pedal boat rentals generated operating revenue in the amount of \$378,801, down 25% from 2020. Operating costs were \$314,182, up \$56,500 in the current year, resulting in operating income of \$73,045.

PAYT Enterprise Fund: The Pay-As-You-Throw Enterprise Fund was established in August 2010. PAYT is a self-service trash disposal system. Revenues are derived from trash bags sold wholesale to various vendors for resale and from bags purchased retail by individuals directly from the Town. The PAYT Enterprise reported operating revenue of \$78,564 up 30% from 2020 and expenses increased \$17,224, with a resulting operating income of \$36,096 for the current year.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

Currently the Town has two governmental funds: The General Fund and the Capital Improvement Fund. These are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The General Fund reported a total ending fund balance of \$3,145,051, of which \$769,151 is intended for fiscal year 2022 expenditures. The Capital Improvement Fund reported an ending fund balance of \$349,030, of which \$68,530 is restricted for street improvements and \$280,500 is restricted for the Surplus Fund set forth in the 2017 Sales Tax Revenue Bond Indenture.

The General Fund is the Town's primary operating fund and the largest source of day-to-day service delivery. The total ending fund balance of the General Fund increased \$436,204 in 2021, compared with a fiscal year 2020 fund balance increase of \$515,113.

Total revenues in the General Fund of \$3,984,547 increased \$826,878, about 26% more than 2020 total revenues. The increase was due to increased grant revenues and sales tax revenues. General Fund expenditures of \$5,118,343 increased \$2,475,787, about 93% more than prior year. This increase is due primarily due to the capital expenditures associated with Main Street Open for Business Grant (MSOB) of \$477,500 and Stanley Property purchase of \$1,265,000, including closing costs and the purchase of water rights associated with the property.

The Capital Improvement Fund is the Town's 2017 bond sales and 1% sales and use tax increase fund and accounts exclusively for the collection, debt service, maintenance and capital outlay expenditures relating to these funds. Total revenues in the Capital Improvement Fund amounted to \$1,493,555, an increase of \$853,379, (133%) from 2020 total revenues; a result of increased sales and use tax collections of \$102,108 and increases in grants from DOLA and CDOT of \$756,630 for the Streetscape project. Capital Improvement Fund expenditures of \$2,532,390 were \$2,041,545 more than prior year. This increase in expenditures was the result of increased construction costs related to the Phase 3 Streetscape project.

Proprietary Funds

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

Net position of the enterprise operations on December 31, 2021, follow:

	Net Position	Change in Net Position
Water	\$ 2,678,605	\$ 95,396
Marina	1,095,458	74,054
PAYT	160,235	36,248
	\$ 3,934,298	\$ 205,698

Factors concerning the finances of the enterprise funds have already been addressed in the discussion of the Town's business-type activities.

Budgetary Highlights

General Fund — General Fund revenue of \$3,984,547 was \$665,229 more than the budgeted amount of \$3,319,318. Higher than estimated revenues were realized in a number of categories, significant and encouraging unbudgeted revenues (in the range of \$10,000 or more) were received in: Specific Ownership Tax (\$10,803), Sales Tax (\$781,631), Motor Vehicle Use Tax (\$45,282), Cemetery (22,625), Grand Lake Center (27,098).

The total General Fund expenditures of \$5,118,343 were under budget by \$348,248. Additional savings were due to budget management in administration (\$65,984), public works (\$76,759), Grand Lake Center (\$36,438) and parks (\$33,092).

Capital Improvement Fund — The Capital Improvement Fund was created in January 2017 to collect, account for and service debt in relation to a bond initiative (inception of this fund is discussed later in the Long-term Debt portion of this analysis). Total funding for streetscape improvements was projected to be around \$6,000,000 so the Town has pursued grant funding from DOLA to help abate the shortfall of funding between bond financing and projected costs. During 2021, the Town continued with the 3rd phase of the streetscape project, expending nearly \$2,136,000 towards the project. \$109,000 went towards purchasing and installing two rapid-charge electrical vehicle (EV) stations.

Water Enterprise Fund — The Water Enterprise Fund revenue of \$704,118 was \$52,618 more than budgeted, water sales revenue was \$56,410 more than expected and plant investment fees (more commonly known as tap fees) were \$15,500 more than expected. Water Fund expenses of \$547,446 came in about 19% under the budgeted amount of \$677,177.

Marina Enterprise Fund — The Marina Enterprise Fund had revenues of \$388,236, were under budget by \$36,964 (9%). Marina Fund expenses of \$350,336 were under budget by \$217,541 (38%) when compared to a budget of \$567,877. Rentals and tours revenues decreased by 25% due to staffing issues which resulted in less hours the Marina operated in 2021.

PAYT Enterprise Fund — The PAYT Enterprise Fund increased its revenue to \$78,716, which was \$334 less than the budgeted figure of \$79,050. Expenses came in at \$42,468, \$29,455 (41%) less than the budget of \$71,923.

Capital Assets and Debt Administration

Capital Assets

The Town's net investment in capital assets as of December 31, 2021, was \$8,168,153 for governmental activities and \$1,005,340 for business-type activities. The governmental activities capital assets include infrastructure that was first reported in 2004.

The following table provides a summary of capital asset activity.

	Capital Assets					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Non-depreciable assets:						
Land	\$ 2,245,719	\$ 995,419	\$ 2,270	\$ 2,270	\$ 2,247,989	\$ 997,689
Construction In Progress	<u>3,029,590</u>	<u>693,610</u>	<u>-</u>	<u>627</u>	<u>3,029,590</u>	<u>694,237</u>
Total non-depreciable	<u>5,275,309</u>	<u>1,689,029</u>	<u>2,270</u>	<u>2,897</u>	<u>5,277,579</u>	<u>1,691,926</u>
Depreciable assets:						
Buildings	1,468,112	1,468,112	26,935	26,935	1,495,047	1,495,047
Improvements	1,209,695	1,075,890	-	-	1,209,695	1,075,890
Equipment	1,706,261	1,627,577	388,004	388,004	2,094,265	2,015,581
Infrastructure	9,301,102	9,101,310	4,553,530	4,553,530	13,854,632	13,654,840
Marina Equipment	<u>-</u>	<u>-</u>	<u>487,722</u>	<u>410,268</u>	<u>487,722</u>	<u>410,268</u>
Total depreciable assets	13,685,170	13,272,889	5,456,191	5,378,737	19,141,361	18,651,626
Accumulated depreciation	<u>(5,273,163)</u>	<u>(4,734,885)</u>	<u>(3,126,577)</u>	<u>(2,957,381)</u>	<u>(8,399,740)</u>	<u>(7,692,266)</u>
Total depreciable assets, net	<u>8,412,007</u>	<u>8,538,004</u>	<u>2,329,614</u>	<u>2,421,356</u>	<u>10,741,621</u>	<u>10,959,360</u>
Percentage depreciated	39%	36%	57%	55%	44%	41%
Total Capital Assets	<u>\$ 13,687,316</u>	<u>\$ 10,227,033</u>	<u>\$ 2,331,884</u>	<u>\$ 2,424,253</u>	<u>\$ 16,019,200</u>	<u>\$ 12,651,286</u>

At December 31, 2021, the depreciable capital assets for governmental activities were 39% depreciated. As for the Town's business-type activities, 57% of the asset values were depreciated at December 31, 2021. Governmental activities reflect additions related to the Space to Create and Streetscape projects, the purchase of the Stanley Property, and installation of two EV stations. Business-type activities numbers were substantially the same.

A water rate study was conducted in 2008 to evaluate the implementation of the capital improvement plan that was completed in 2006. As a result of the study, the Board of Trustees adopted a 6% annual increase in water rate fees. Although the study recommended a 9% increase to fully implement the capital improvements recommended by the 2006 plan, the Board of Trustees approved annual increases of 6%. The increase schedule began in April 2009 and would have been effective through April 1, 2018; however, the Town opted-out of the increase for 2015 and 2017, resulting in an extension of the schedule through April 1, 2020.

Long-term Debt

On November 8, 2016, the citizens of Grand Lake passed a ballot question to increase sales and use tax from 4% to 5%, effective January 1, 2017, and to incur debt for the purpose of financing improvements to streets, boardwalks, sidewalks, multi-use pathways, streetscapes, signage and drainage. These bonds were sold in May 2017 and generated an additional premium of \$385,090. Debt service began in December 2017. These funds are used first to pay debt service on the bonds in, then to fund the Surplus Fund requirement of \$280,500 (as mentioned previously) and finally to operate and maintain the infrastructure installed. At the end of this year, the Town had total governmental activities bonded debt outstanding of \$3,966,304, which is being retired with the pledged revenues.

The Town also has \$213,982 in governmental capital leases outstanding for various equipment used by Public Works. Lease payments and obligations for the leases are funded entirely by the General Fund.

In 2021 the Town entered a certificate of participation (COP) for the purchase of the Stanley property in the amount of \$1,570,000. A portion of the proceeds of the COP paid the remaining amount due on the Thomasson property lease of \$217,700.

On April 9, 2018, the Town issued a note with the CWR&PDA, Drinking Water Revolving Fund, in the original amount of \$1,600,000. The proceeds of the loan were used to construct a new underground water storage tank and associated piping and appurtenances, including demolition of the current storage tank. During 2021, the Town made the required principal and interest payments on the note leaving a principal balance due of \$1,326,544 at December 31, 2021.

Economic Factors and Next Year's Budgets and Rates

Grand Lake's economy depends primarily on three economic drivers: tourism, housing market, and local spending with support from the large second homeowner population. However, 2020's economic conditions were dramatically impacted by the COVID-19 outbreak and the East Troublesome Fire.

Despite the unprecedented impacts of 2020's COVID-19 and the East Troublesome Fire, Grand Lake has seen an increase in the housing market and tourism. In 2021 the 4% sales tax for the year ended 27% (\$544,145) up over 2020 collections and was a record fiscal year of sales tax. The 4% tax generated \$2,523,456 in revenue. Tax generated by the 1% sales tax totaled \$656,779, an increase of \$102,108 over 2020.

The Town of Grand Lake has seen an increase in tourism over the last couple of years especially with more folks taking to the outdoors. It will be difficult to anticipate the effect of the increased fuel prices will have on tourism for 2022. Rocky Mountain National Park will continue to use reservations and timed entry during peak hours. This did not seem to have an impact in 2021 on the local economy. Sales tax revenues from construction and online ordering continue to

increase. It is also difficult to predict how the lack of affordable housing will have on business' ability to hire and retain employees. This may affect the hours businesses may be able to keep open.

In 2022, there are several factors which can influence the Town's economic situation:

- The Town of Grand Lake will likely see an increase in assessed values used to determine property tax revenue.
- Sales tax revenue is anticipated to remain robust, although the labor shortage may impact the ability of businesses to remain open.
- The Town will continue to actively pursue grant opportunities, including proceeding with the Space to Create program.
- Policies limiting access to the National Park and the National Forest could have significant impacts on tourist visits.
- Increased fuel prices may impact summer attendance.
- With the closing of Mountain Life Fitness in Granby we anticipate an increase in memberships at the Grand Lake Center.

As in prior years, the Town will continue to take the most conservative approach as is practicable in its financial activities, with an eye to continually improve assets and amenities held by the Town.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Town Manager at P.O. Box 99, Grand Lake, CO 80447.

BASIC FINANCIAL STATEMENTS

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF NET POSITION
December 31, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	\$ 3,160,565	\$ 2,938,044	\$ 6,098,609
Cash and Investments - Restricted	16,592	-	16,592
Receivables:			
Property Taxes	402,753	-	402,753
Sales Taxes	302,125	-	302,125
Accounts	18,872	41,890	60,762
Intergovernmental	569,371	-	569,371
Inventory	7,876	11,482	19,358
Capital Assets Not Being Depreciated	5,275,309	2,270	5,277,579
Capital Assets, Net of Accumulated Depreciation	8,412,007	2,329,614	10,741,621
Total Assets	18,165,470	5,323,300	23,488,770
Liabilities			
Accounts Payable	221,320	4,077	225,397
Retainage Payable	104,001	-	104,001
Accrued Interest Payable	13,375	-	13,375
Deposits and Prepaid Fees	15,952	27,135	43,087
Unearned Revenue - Nightly Rental Licenses	3,600	-	3,600
Noncurrent Liabilities:			
Due Within One Year	296,605	74,798	371,403
Due In More Than One Year	5,459,061	1,282,992	6,742,053
Total Liabilities	6,113,914	1,389,002	7,502,916
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	402,753	-	402,753
Unearned Revenue - Use Tax	236,447	-	236,447
Total Deferred Inflows of Resources	639,200	-	639,200
Net Position			
Net Investment in Capital Assets	8,168,153	1,005,340	9,173,493
Restricted			
Parks and Open Space	38,555	-	38,555
Debt Service	267,125	113,166	380,291
Capital Projects	68,530	-	68,530
Emergency Reserves	142,400	-	142,400
Unrestricted	2,727,593	2,815,792	5,543,385
Total Net Position	\$ 11,412,356	\$ 3,934,298	\$ 15,346,654

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Permits, Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Administration	\$ 1,592,452	\$ 111,959	\$ 81,541	\$ 479,391	\$ (919,561)	\$ -	\$ (919,561)
Public Safety	241,839	-	-	-	(241,839)	-	(241,839)
Public Works	1,208,041	-	44,780	835,486	(327,775)	-	(327,775)
Grand Lake Center	218,852	85,048	1,650	-	(132,154)	-	(132,154)
Parks	175,572	-	3,121	-	(172,451)	-	(172,451)
Interest and Related Costs on Long-term Debt	252,651	-	-	-	(252,651)	-	(252,651)
Total Governmental Activities	<u>3,689,407</u>	<u>197,007</u>	<u>131,092</u>	<u>1,314,877</u>	<u>(2,046,431)</u>	<u>-</u>	<u>(2,046,431)</u>
Business-type Activities							
Water	608,722	657,819	799	45,500	-	95,396	95,396
Marina	314,182	387,227	1,009	-	-	74,054	74,054
Pay As You Throw	42,468	78,564	152	-	-	36,248	36,248
Total Business-type Activities	<u>965,372</u>	<u>1,123,610</u>	<u>1,960</u>	<u>45,500</u>	<u>-</u>	<u>205,698</u>	<u>205,698</u>
Total	<u>\$ 4,654,779</u>	<u>\$ 1,320,617</u>	<u>\$ 133,052</u>	<u>\$ 1,360,377</u>	<u>(2,046,431)</u>	<u>205,698</u>	<u>(1,840,733)</u>
General Revenues:							
					331,826	-	331,826
					25,803	-	25,803
					3,283,894	-	3,283,894
					80,022	-	80,022
					5,485	-	5,485
					108,096	-	108,096
					<u>3,835,126</u>	<u>-</u>	<u>3,835,126</u>
					1,788,695	205,698	1,994,393
					9,623,661	3,728,600	13,352,261
					<u>\$ 11,412,356</u>	<u>\$ 3,934,298</u>	<u>\$ 15,346,654</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021**

	General Fund	Capital Improvement Fund	Total Governmental Funds
Assets			
Cash and Investments	\$ 3,160,565	\$ -	\$ 3,160,565
Cash and Investments - Restricted	-	16,592	16,592
Receivables:			
Property Taxes	402,753	-	402,753
Sales Taxes	241,700	60,425	302,125
Accounts	18,872	-	18,872
Intergovernmental	22,407	546,964	569,371
Inventory	7,876	-	7,876
Total Assets	\$ 3,854,173	\$ 623,981	\$ 4,478,154
Liabilities			
Accounts Payable	\$ 50,370	\$ 170,950	\$ 221,320
Retainage Payable	-	104,001	104,001
Deposits and Prepaid Fees	15,952	-	15,952
Unearned Revenue - Nightly Rental Licenses	3,600	-	3,600
Total Liabilities	69,922	274,951	344,873
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	402,753	-	402,753
Unearned Revenue - Use Tax	236,447	-	236,447
Total Deferred Inflows of Resources	639,200	-	639,200
Fund Balances			
Nonspendable	7,876	-	7,876
Restricted for:			
Emergency Reserves	142,400	-	142,400
Parks and Open Space	38,555	-	38,555
Capital Projects	-	68,530	68,530
Debt Service	-	280,500	280,500
Committed to:			
Affordable Housing	234,502	-	234,502
Cemetery Operations	99,488	-	99,488
Assigned to:			
Subsequent Year's Budget	769,151	-	769,151
Unassigned	1,853,079	-	1,853,079
Total Fund Balances	3,145,051	349,030	3,494,081
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,854,173	\$ 623,981	\$ 4,478,154

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2021**

Total Fund Balance - Governmental Funds		\$ 3,494,081
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets	\$ 18,960,479	
Less Accumulated Depreciation	<u>(5,273,163)</u>	13,687,316
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. However, all liabilities - both current and long-term - are reported in the statement of net position.		
Balances at year-end are:		
Sales Tax Bonds	(3,685,000)	
Premium on Sales Tax Bonds	(281,304)	
Certificates of Participation	(1,475,000)	
Capital Lease Obligations	(213,982)	
Compensated Absences	<u>(100,380)</u>	(5,755,666)
Interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due		<u>(13,375)</u>
Net Position - Governmental Activities		<u><u>\$ 11,412,356</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

	General Fund	Capital Improvement Fund	Total Governmental Funds
Revenues			
Taxes	\$ 3,064,766	\$ 656,779	\$ 3,721,545
Licenses and Permits	80,430	-	80,430
Intergovernmental	590,884	835,485	1,426,369
Charges for Services	134,302	-	134,302
Fees and Leases	1,875	-	1,875
Net Investment Income	4,194	1,291	5,485
Other Revenue	108,096	-	108,096
Total Revenues	3,984,547	1,493,555	5,478,102
Expenditures			
Current			
Boards and Committees	231,126	-	231,126
Administration	849,927	-	849,927
Public Safety	241,970	-	241,970
Public Works	628,679	-	628,679
Grand Lake Center	236,503	-	236,503
Parks	127,418	-	127,418
Capital Outlay	2,305,264	2,253,190	4,558,454
Debt service			
Principal	386,276	115,000	501,276
Interest and Fees	42,675	164,200	206,875
Lease Issuance Costs	68,505	-	68,505
Total Expenditures	5,118,343	2,532,390	7,650,733
Excess Revenues Over (Under) Expenditures	(1,133,796)	(1,038,835)	(2,172,631)
Other Financing Sources			
Proceeds from Debt Issuance	1,570,000	-	1,570,000
Net Change in Fund Balances	436,204	(1,038,835)	(602,631)
Fund Balances - Beginning	2,708,847	1,387,865	4,096,712
Fund Balances - Ending	\$ 3,145,051	\$ 349,030	\$ 3,494,081

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021**

Net Change in Fund Balances - Governmental Funds		\$ (602,631)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.</p>		
Capital Outlay	\$ 4,045,707	
Depreciation	<u>(585,424)</u>	3,460,283
<p>Long-term debt (e.g., issuance of bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Certificates of Participation Issued	(1,570,000)	
Principal Payment - Sales Tax Bonds	115,000	
Principal payment - Certificates of Participation	95,000	
Principal Payment - Capital Lease Obligations	<u>291,276</u>	(1,068,724)
<p>Interest expense in the statement of activities differs from the amount reported in governmental funds because of additional accrued and accreted interest, amortization of bond premiums, issue costs and refunding losses.</p>		
Decrease in accrued interest on long-term debt	1,199	
Amortization of premium on bonds	<u>21,530</u>	22,729
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Adjustment to compensated absences liability		<u>(22,962)</u>
Change in Net Position - Governmental Activities		<u><u>\$ 1,788,695</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(With Comparative Totals for December 31, 2020)**

Revenues	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Taxes					
Property Tax	\$ 333,958	\$ 333,958	\$ 331,826	\$ (2,132)	\$ 334,162
Specific Ownership Tax	15,000	15,000	25,803	10,803	24,967
General Sales Tax	1,741,825	1,741,825	2,523,456	781,631	1,979,311
Building Use Tax	45,000	45,000	18,377	(26,623)	196,254
Motor Vehicle Use Tax	40,000	40,000	85,282	45,282	43,120
Cigarette Tax	3,000	3,000	5,172	2,172	4,838
Franchise Tax	67,500	67,500	74,850	7,350	70,849
Subtotal Taxes	<u>2,246,283</u>	<u>2,246,283</u>	<u>3,064,766</u>	<u>818,483</u>	<u>2,653,501</u>
Licenses & Permits					
Business Licenses	30,000	30,000	23,446	(6,554)	25,387
Rental Licenses	70,000	70,000	49,756	(20,244)	72,600
Liquor License	4,500	4,500	1,464	(3,036)	3,986
Other Licenses	3,700	3,700	5,764	2,064	3,978
Subtotal Licenses & Permits	<u>108,200</u>	<u>108,200</u>	<u>80,430</u>	<u>(27,770)</u>	<u>105,951</u>
Intergovernmental					
County Road and Bridge	6,492	6,492	7,886	1,394	7,880
Grants	440,000	794,391	542,983	(251,408)	230,199
Highway Users Tax	30,000	30,000	35,222	5,222	29,796
Conservation Trust Fund	2,000	2,000	3,121	1,121	2,608
Other Intergovernmental	1,000	1,000	1,672	672	175
Subtotal Intergovernmental	<u>479,492</u>	<u>833,883</u>	<u>590,884</u>	<u>(242,999)</u>	<u>270,658</u>
Charges for Services					
Attainable Housing Fee	2,000	2,000	9,862	7,862	19,186
Zoning and Subdivision Review	2,000	2,000	4,997	2,997	300
Cemetery	4,200	4,200	26,825	22,625	6,950
Grand Lake Center	59,600	59,600	86,698	27,098	51,532
Other Charges for Services	2,600	2,600	5,920	3,320	14,485
Subtotal Charges for Services	<u>70,400</u>	<u>70,400</u>	<u>134,302</u>	<u>63,902</u>	<u>92,453</u>
Fines and Forfeitures	-	-	-	-	-
Fees and Leases	2,500	2,500	1,875	(625)	2,500
Municipal Fee	50	50	-	(50)	-
Net Investment Income	18,000	18,000	4,194	(13,806)	11,652
Contributions	-	-	-	-	5,000
Other Revenue	15,002	15,002	108,096	93,094	15,954
Proceeds from Sale of Assets	25,000	25,000	-	(25,000)	-
Total Revenues	<u>\$ 2,964,927</u>	<u>\$ 3,319,318</u>	<u>\$ 3,984,547</u>	<u>\$ 665,229</u>	<u>\$ 3,157,669</u>

(Continued)

TOWN OF GRAND LAKE, COLORADO

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(With Comparative Totals for December 31, 2020)**

(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2020 Actual</u>
Expenditures					
Current:					
Boards and Committees					
Board of Trustees	\$ 112,009	\$ 112,009	\$ 123,510	\$ (11,501)	\$ 104,274
Cemetery Committee	11,550	11,550	9,849	1,701	5,618
Planning Commission & Board of Adjustment	20,300	20,300	50,231	(29,931)	57,703
Greenways Committee	47,585	47,585	47,536	49	44,000
Subtotal Boards and Committees	<u>191,444</u>	<u>191,444</u>	<u>231,126</u>	<u>(39,682)</u>	<u>211,595</u>
Administration					
Personnel	448,850	448,850	416,230	32,620	311,875
Supplies	30,222	30,222	38,316	(8,094)	31,062
Repairs and Maintenance	20,250	20,250	5,662	14,588	5,068
Purchased Services	67,225	67,225	43,739	23,486	21,632
Utility Services	15,300	15,300	28,962	(13,662)	17,095
Professional Services	52,500	52,500	89,767	(37,267)	29,910
Marketing	147,964	147,964	159,604	(11,640)	134,723
Transit	50,000	50,000	-	50,000	-
Economic Development Grants	32,200	32,200	32,200	-	-
Other	51,400	51,400	35,447	15,953	27,652
Subtotal Administration	<u>915,911</u>	<u>915,911</u>	<u>849,927</u>	<u>65,984</u>	<u>579,017</u>
Public Safety					
Personnel	-	-	18,921	(18,921)	34,252
Purchased Services	165,858	165,858	223,049	(57,191)	166,808
Subtotal Public Safety	<u>165,858</u>	<u>165,858</u>	<u>241,970</u>	<u>(76,112)</u>	<u>201,060</u>
Public Works					
Personnel	413,038	413,038	421,744	(8,706)	353,166
Supplies	21,000	21,000	9,313	11,687	1,028
Repairs and Maintenance	183,500	183,500	133,087	50,413	85,387
Purchased Services	19,900	19,900	25,882	(5,982)	17,659
Utility Services	43,500	43,500	33,124	10,376	31,963
Professional Services	2,000	2,000	-	2,000	1,078
Other	22,500	22,500	5,529	16,971	4,918
Subtotal Public Works	<u>\$ 705,438</u>	<u>\$ 705,438</u>	<u>\$ 628,679</u>	<u>\$ 76,759</u>	<u>\$ 495,199</u>

(Continued)

TOWN OF GRAND LAKE, COLORADO

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(With Comparative Totals for December 31, 2020)**

(Continued)

Expenditures (continued)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Grand Lake Center					
Personnel	\$ 159,989	\$ 159,989	\$ 145,151	\$ 14,838	\$ 153,598
Supplies	5,500	5,500	5,062	438	8,171
Repairs and Maintenance	37,700	37,700	7,056	30,644	8,533
Utility Services	32,980	32,980	35,038	(2,058)	28,495
Professional Services	6,730	6,730	7,998	(1,268)	4,370
Other	30,042	30,042	36,198	(6,156)	19,505
Subtotal Grand Lake Center	<u>272,941</u>	<u>272,941</u>	<u>236,503</u>	<u>36,438</u>	<u>222,672</u>
Parks					
Personnel	62,160	62,160	32,271	29,889	64,102
Supplies	19,000	19,000	45,414	(26,414)	24,846
Repairs and Maintenance	48,100	48,100	18,946	29,154	19,431
Utility Services	24,500	24,500	28,573	(4,073)	29,483
Other	6,750	6,750	2,214	4,536	2,273
Subtotal Parks	<u>160,510</u>	<u>160,510</u>	<u>127,418</u>	<u>33,092</u>	<u>140,135</u>
Capital Outlay	<u>2,539,305</u>	<u>2,891,786</u>	<u>2,305,264</u>	<u>586,522</u>	<u>683,639</u>
Debt service					
Lease Principal	148,644	148,644	386,276	(237,632)	85,291
Lease Interest	14,059	14,059	42,675	(28,616)	23,948
Lease Issue Costs	-	-	68,505	(68,505)	-
Subtotal Debt Service	<u>162,703</u>	<u>162,703</u>	<u>497,456</u>	<u>(334,753)</u>	<u>109,239</u>
Total Expenditures	<u>5,114,110</u>	<u>5,466,591</u>	<u>5,118,343</u>	<u>348,248</u>	<u>2,642,556</u>
Excess Revenues Over (Under) Expenditures	(2,149,183)	(2,147,273)	(1,133,796)	1,013,477	515,113
Other Financing Sources					
Proceeds from Debt Issuance	1,565,000	1,565,000	1,570,000	5,000	-
Net Change in Fund Balance	(584,183)	(582,273)	436,204	1,018,477	515,113
Fund Balance - Beginning	<u>2,342,517</u>	<u>2,342,517</u>	<u>2,708,847</u>	<u>366,330</u>	<u>2,193,734</u>
Fund Balance - Ending	<u>\$ 1,758,334</u>	<u>\$ 1,760,244</u>	<u>\$ 3,145,051</u>	<u>\$ 1,384,807</u>	<u>\$ 2,708,847</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021**

	Business-type Activities - Enterprise Funds			Total
	Water	Marina	Pay As You Throw	
Assets				
Current Assets				
Cash and Investments	\$ 1,889,293	\$ 892,451	\$ 156,300	\$ 2,938,044
Accounts Receivable	41,890	-	-	41,890
Inventory	7,147	-	4,335	11,482
Total Current Assets	1,938,330	892,451	160,635	2,991,416
Noncurrent Assets				
Capital Assets Not Being Depreciated	2,270	-	-	2,270
Capital Assets, Net of Accumulated Depreciation	2,124,912	204,702	-	2,329,614
Total Noncurrent Assets	2,127,182	204,702	-	2,331,884
Total Assets	4,065,512	1,097,153	160,635	5,323,300
Liabilities				
Current Liabilities				
Accounts Payable	3,536	141	400	4,077
Compensated Absences	5,900	300	-	6,200
Prepaid Fees	27,135	-	-	27,135
Note Payable - Current	68,598	-	-	68,598
Total Current Liabilities	105,169	441	400	106,010
Noncurrent Liabilities				
Compensated Absences	23,792	1,254	-	25,046
Note Payable	1,257,946	-	-	1,257,946
Total Noncurrent Liabilities	1,281,738	1,254	-	1,282,992
Total Liabilities	1,386,907	1,695	400	1,389,002
Net Position				
Net Investment in Capital Assets	800,638	204,702	-	1,005,340
Restricted for Debt Service	113,166	-	-	113,166
Unrestricted	1,764,801	890,756	160,235	2,815,792
Total Net Position	\$ 2,678,605	\$ 1,095,458	\$ 160,235	\$ 3,934,298

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2021**

	Business-type Activities - Enterprise Funds			Total
	Water	Marina	Pay As You Throw	
Operating Revenues				
Charges for Sales and Services				
Water Sales	\$ 656,910	\$ -	\$ -	\$ 656,910
Marina Rentals	-	378,801	-	378,801
PAYT Bag Sales	-	-	78,564	78,564
Other	909	8,426	-	9,335
Total Operating Revenues	<u>657,819</u>	<u>387,227</u>	<u>78,564</u>	<u>1,123,610</u>
Operating Expenses				
Personnel	309,240	169,791	-	479,031
Operations	143,418	84,887	42,468	270,773
Depreciation	128,523	59,504	-	188,027
Total Operating Expenses	<u>581,181</u>	<u>314,182</u>	<u>42,468</u>	<u>937,831</u>
Operating Income	<u>76,638</u>	<u>73,045</u>	<u>36,096</u>	<u>185,779</u>
Nonoperating Revenues (Expenses)				
Net Investment Income	799	1,009	152	1,960
Interest Expense	(27,541)	-	-	(27,541)
Total Nonoperating Revenues (Expenses)	<u>(26,742)</u>	<u>1,009</u>	<u>152</u>	<u>(25,581)</u>
Income Before Capital Contributions and Transfers	49,896	74,054	36,248	160,198
Capital Contributions - Tap Fees	45,500	-	-	45,500
Change In Net Position	95,396	74,054	36,248	205,698
Net Position - Beginning	2,583,209	1,021,404	123,987	3,728,600
Net Position - Ending	<u>\$ 2,678,605</u>	<u>\$ 1,095,458</u>	<u>\$ 160,235</u>	<u>\$ 3,934,298</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds			
	Water	Marina	Pay As You Throw	Total
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 669,549	\$ 387,227	\$ 78,564	\$ 1,135,340
Cash Payments to Suppliers for Goods and Services	(144,921)	(85,399)	(40,213)	(270,533)
Cash Payments to Employees for Services	(318,228)	(169,397)	-	(487,625)
Net Cash Provided by Operating Activities	<u>206,400</u>	<u>132,431</u>	<u>38,351</u>	<u>377,182</u>
Cash Flows from Capital and Related Financing Activities				
Capital Contributions	45,500	-	-	45,500
Acquisition and Construction of Capital Assets	-	(95,658)	-	(95,658)
Principal Paid on Long-Term Debt	(67,247)	-	-	(67,247)
Interest Paid on Long-Term Debt	(27,541)	-	-	(27,541)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(49,288)</u>	<u>(95,658)</u>	<u>-</u>	<u>(144,946)</u>
Cash Flows from Investing Activities				
Net Investment Income	799	1,009	152	1,960
Net Increase (Decrease) In Cash and Cash Equivalents	157,911	37,782	38,503	234,196
Cash and Cash Equivalents - Beginning	<u>1,731,382</u>	<u>854,669</u>	<u>117,797</u>	<u>2,703,848</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 1,889,293</u></u>	<u><u>\$ 892,451</u></u>	<u><u>\$ 156,300</u></u>	<u><u>\$ 2,938,044</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ 76,638	\$ 73,045	\$ 36,096	\$ 185,779
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	128,523	59,504	-	188,027
Effect of Changes In Operating Assets and Liabilities				
Accounts Receivable	(7,421)	-	-	(7,421)
Inventory	-	-	2,255	2,255
Other Receivables	140	-	-	140
Accounts Payable	(1,503)	(512)	-	(2,015)
Compensated Absences	(8,988)	394	-	(8,594)
Deferred Revenue	19,011	-	-	19,011
Total Adjustments	<u>129,762</u>	<u>59,386</u>	<u>2,255</u>	<u>191,403</u>
Net Cash Provided by Operating Activities	<u><u>\$ 206,400</u></u>	<u><u>\$ 132,431</u></u>	<u><u>\$ 38,351</u></u>	<u><u>\$ 377,182</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 REPORTING ENTITY

The Town of Grand Lake, Colorado (the Town) was incorporated on June 9, 1944 in Grand County, Colorado and is governed by a seven-member elected Board of Trustees. The Town provides public works (roads and streets), trash, parks and recreation, water, and general administrative services. The Town contracts with Grand County for police protection services. Fire protection is provided by the Grand Lake Fire Protection District. Sanitary sewer services are provided by the Three Lakes Water and Sanitation District.

The Town follows the Governmental Accounting Standards Board (GASB) accounting pronouncements, which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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 impose specific financial burdens on 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 upon the above criteria, the Town is not financially accountable for any other organization, nor is the Town a component unit of any other primary governmental entity.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the Town are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all the activities of the Town. Governmental activities, which normally are supported by taxes and intergovernmental

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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

The statement of net position reports all financial and capital resources of the Town. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days after year-end. The major sources of revenue susceptible to accrual are property, sales and franchise taxes. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

The Town reports the following major governmental fund:

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

The *Capital Improvement Fund* accounts for the proceeds of the Town's 2017 Sales Tax Revenue Bonds and the additional 1% sales tax approved by the voters in November 2016 restricted to construction and maintenance of the Town's roads and repayment of the 2017 Bonds.

The Town reports the following major enterprise funds:

The *Water Fund* accounts for revenues and expenses associated with providing water services to Town residents.

The *Marina Fund* accounts for revenues and expenses associated with providing recreational activities to Town residents and visitors at the Town's Headwaters Marina.

The *Pay As You Throw Fund* was established in August 2010 and is used to account for revenues and expenses associated with providing trash service to the Town's residents.

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

Proprietary funds distinguish between operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The Town's water fund recognizes as capital contributions the entire portion of tap fees, as they are intended to recover the cost of the capital investment in the water distribution system.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Pooled Cash and Investments

The Town follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash and investments.

Cash and investments are presented in the basic financial statements at fair value.

For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

Restricted Assets

Certain assets whose use is restricted for bonded debt service by debt indentures are segregated on the government-wide statement of net position and the fund balance sheets.

Property Taxes

Property taxes are levied by the Town's Board of Trustees. Property taxes are levied by December 15 of each year and are due in full the following year. The lien date is January 1 following the levy. Taxes may be paid in two equal installments, on or before February 28 and June 15, or in full, on or before April 30. Delinquent taxpayers are notified in August and generally, sales of the tax liens on delinquent properties are held in November or December. Property taxes are collected by Grand County and then remitted, net of a 2% collection fee, to the Town.

Taxes are recorded as a receivable and a deferred inflow of resources when levied, and subsequently recorded as revenue in the year they are available or collected.

Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of fuel and expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town currently capitalizes expenditures that cost more than \$5,000 and have a life of one year or more. Such capital assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capital assets because their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities. Generally accepted accounting principles requires the Town to report general infrastructure assets obtained subsequent to January 1, 2004 but allows the Town to retroactively capitalize general infrastructure assets obtained prior to that date. The Town elected to not report general infrastructure assets retroactively.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and depreciated over their remaining useful lives.

Capital assets of the Town are depreciated, using the straight-line method over their estimated useful lives:

Infrastructure:	
Bridges	40 years
Roads	20 years
Parking Lots	20 years
Storm Drainage Systems	20 years
Buildings	40 – 75 years
Buildings Improvements	20 – 75 years
Water Distribution Systems	30 years
Water Storage Facilities	30 – 55 years
Vehicles, Machinery and Equipment	5 – 7 years

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports unavailable revenue for property taxes to be collected in the subsequent period and building use tax that is subject to refund and therefore not yet available.

Compensated Absences

Accumulated unpaid vacation, compensatory time and sick leave amounts are accrued as a liability as the benefits are earned, if the employees' rights to receive compensation are attributable to services already rendered, and it is probable that the employer will compensate employees for the benefits through paid time off or some other means. The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated liability at the fund reporting level only when due. Proprietary funds report the liability when incurred.

Upon termination, employees are paid full value for any accrued vacation and compensatory leave earned. Accrued sick leave is paid at two hours for one.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds. The balance of these deferrals is combined with the corresponding long-term debt in the financial statements.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual new proceeds received, are reported as debt service expenditures.

Net Position and Fund Equity

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position is subject to restrictions by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provision or enabling legislation

Unrestricted net position represents assets that do not have any third-party limitations on their use.

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

Fund Balances

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Restricted fund balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

The Town reports the following Restricted Fund Balances:

Restricted for TABOR Emergencies – Emergency reserves have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 10).

Restricted for Parks and Open Space – Represents the balance of funds remaining from the Conservation Trust (State Lottery) Fund proceeds.

Restricted for Capital Projects – Represents funds restricted for road improvements pursuant to the November 2016 election.

Restricted for Debt Service – Represents the portion of fund balance that is legally restricted to payment of principal and interest on long-term debt maturing in future years.

Committed fund balance – The portion of fund balance that can be used only for the specific purposes determined by a formal action of the Town’s highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

The following fund balances are committed:

Affordable Housing – Represents the accumulation of funds collected by the Town from affordable housing fees. The funds are to be utilized for the purpose of providing affordable housing.

Cemetery Operations – committed to the operations of the Grand Lake Cemetery.

Assigned fund balance – The portion of fund balance that reflects the Town's intended use of resources as determined by the Board of Trustees. These amounts are constrained by the Town's intent to be used for specific purposes, but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The following fund balances are assigned:

Subsequent Year's Budget – used to account for the portion of the year-end fund balance which is appropriated in the subsequent year's budget.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the Town's practice to use the most restrictive classification first.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. An example of such an estimate that has been made by management is depreciation expense.

NOTE 3 BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. The enterprise funds adopt budgets on the Non-GAAP basis wherein tap fees are recognized as revenue, principal payments on debt and capital expenditures are recognized as expenditures, and depreciation expense is not budgeted. All annual appropriations lapse at fiscal year-end. Not later than the first regular meeting in September, the Town Manager submits a proposed operating budget for the fiscal year commencing the following January 1 to the Board of Trustees. The operating budget for all budgeted funds includes proposed expenditures and the means of financing. Public hearings are held at the regular Trustee meetings to obtain taxpayer input. Prior to December 15, the budget is legally enacted through passage of a budget resolution. The appropriation can only be modified upon completion of notification and publication requirements.

The Town has amended its annual budget for the year ended December 31, 2021.

TOWN OF GRAND LAKE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021**

NOTE 4 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business- type Activities	Total
Cash and Investments	\$ 3,160,565	\$ 2,938,044	\$ 6,098,609
Cash and Investments - Restricted	16,592	-	16,592
Total	\$ 3,177,157	\$ 2,938,044	\$ 6,115,201

Cash and investments as of December 31, 2021, consist of the following:

	Governmental Activities	Business- type Activities	Total
On-hand	\$ 221	\$ 50	\$ 271
Deposits with Financial Institutions	1,322,636	930,663	2,253,299
Investments	1,854,300	2,007,331	3,861,631
Total	\$ 3,177,157	\$ 2,938,044	\$ 6,115,201

Cash Deposits

Custodial credit risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party.

The Colorado Public Deposit Protection Act (PDPA) governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The institution's internal records identify the collateral by depositor and as such, these deposits are considered to be uninsured but collateralized.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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.

At December 31, 2021, the Town's cash deposits had a bank balance of \$2,344,916 and a carrying balance of \$2,253,299. At December 31, 2021, the Town's deposits were both insured by federal depository insurance and collateralized with securities held by third parties not in the Town's name, and consequently were not exposed to custodial credit risk.

Investments

The Town has not adopted a formal investment policy; however, the Town follows state statutes regarding investments.

The Town generally limits its concentration of investments to obligations of the United States, certain U.S. government agency securities and Local Government Investment Pools, which are believed to have minimal credit risk, minimal interest rate risk and no foreign currency risk. Additionally, the Town is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees, such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

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

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

At December 31, 2021, the Town had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Government Liquid Asset Trust (COLOTRUST)	Weighted Average under 60 Days	\$ 3,597,656
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average under 60 Days	263,975
		<u>\$ 3,861,631</u>

COLOTRUST

The Town invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+ and COLOTRUST EDGE. All 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, highest rated commercial paper and any security allowed under CRS 24-75-601. COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. 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. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the Town records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

CSAFE

The Town invested in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

safekeeping agent for CSAFE’s investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian’s internal records segregate investments owned by CSAFE. CSAFE is rated AAAM by Standard & Poor’s. CSAFE records its investments at amortized cost and the Town records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 for the Town’s governmental activities was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 995,419	\$ 1,300,300	\$ -	\$ 2,295,719
Construction in Progress	693,610	2,385,980	50,000	3,029,590
Total Capital Assets Not Being Depreciated	<u>1,689,029</u>	<u>3,686,280</u>	<u>50,000</u>	<u>5,325,309</u>
Depreciable Capital Assets:				
Buildings	1,468,112	-	-	1,468,112
Improvements	1,075,890	133,805	-	1,209,695
Equipment	1,627,577	125,830	47,146	1,706,261
Infrastructure	9,101,310	199,792	-	9,301,102
Total Depreciable Capital Assets	<u>13,272,889</u>	<u>459,427</u>	<u>47,146</u>	<u>13,685,170</u>
Accumulated Depreciation:				
Buildings	(469,554)	(24,129)	-	(493,683)
Improvements	(599,752)	(33,618)	-	(633,370)
Equipment	(948,224)	(186,638)	(47,146)	(1,087,716)
Infrastructure	(2,717,355)	(341,039)	-	(3,058,394)
Total Accumulated Depreciation	<u>(4,734,885)</u>	<u>(585,424)</u>	<u>(47,146)</u>	<u>(5,273,163)</u>
Net Depreciable Capital Assets	<u>8,538,004</u>	<u>(125,997)</u>	<u>-</u>	<u>8,412,007</u>
Total Net Governmental Activities	<u>\$ 10,227,033</u>	<u>\$ 3,560,283</u>	<u>\$ 50,000</u>	<u>\$ 13,737,316</u>

Depreciation expense is allocated to specific departments as follows.

Administration	\$ 25,048
Grand Lake Center	3,182
Public Works	525,202
Parks	31,992
Total Depreciation Expense	<u>\$ 585,424</u>

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Capital asset activity for the year ended December 31, 2021 for the Town’s business-type activities was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 2,270	\$ -	\$ -	\$ 2,270
Construction in Progress	627	-	627	-
Total Capital Assets Not Being Depreciated	<u>2,897</u>	<u>-</u>	<u>627</u>	<u>2,270</u>
Depreciable Capital Assets:				
Water Utility System	4,553,530	-	-	4,553,530
Water Equipment	388,004	-	-	388,004
Water Buildings	26,935	-	-	26,935
Marina Equipment	391,437	96,285	-	487,722
Total Depreciable Capital Assets	<u>5,359,906</u>	<u>96,285</u>	<u>-</u>	<u>5,456,191</u>
Accumulated Depreciation:				
Water Utility System	(2,408,970)	(104,074)	-	(2,513,044)
Water Equipment	(279,129)	(24,449)	-	(303,578)
Water Buildings	(26,935)	-	-	(26,935)
Marina Equipment	(223,516)	(59,504)	-	(283,020)
Total Accumulated Depreciation	<u>(2,938,550)</u>	<u>(188,027)</u>	<u>-</u>	<u>(3,126,577)</u>
Net Depreciable Capital Assets	<u>2,421,356</u>	<u>(91,742)</u>	<u>-</u>	<u>2,329,614</u>
Total Business-Type Activities	<u>\$ 2,424,253</u>	<u>\$ (91,742)</u>	<u>\$ 627</u>	<u>\$ 2,331,884</u>

Depreciation was charged to functions/programs as follows:

Water Fund	\$ 128,523
Marina Fund	59,504
Total Depreciation Expense	<u>\$ 188,027</u>

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 6 LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term debt for the year ended December 31, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
2017 Sales Tax Bonds	\$ 3,800,000	\$ -	\$ 115,000	\$ 3,685,000	\$ 115,000
2017 Sales Tax Bonds Premium	302,834	-	21,530	281,304	-
2021 Certificates of Participation	-	1,570,000	95,000	1,475,000	85,000
Capital Lease - Thomasson Park	217,678	-	217,678	-	-
2015 Capital Lease - Loader	70,141	-	13,817	56,324	14,307
2018 Capital Lease - Grader	169,709	-	46,240	123,469	48,004
2019 Capital Lease - Tractor	47,730	-	13,541	34,189	14,194
Compensated Absences	77,418	77,522	54,560	100,380	20,100
Total	\$ 4,685,510	\$ 1,647,522	\$ 577,366	\$ 5,755,666	\$ 296,605
Business-type Activities					
Colorado Water Resources & Power Development Authority					
Water Fund, 2018	\$ 1,393,791	\$ -	\$ 67,247	\$ 1,326,544	\$ 68,598
Compensated Absences	39,840	11,978	20,572	31,246	6,200
	\$ 1,433,631	\$ 11,978	\$ 87,819	\$ 1,357,790	\$ 74,798

Sales Tax Revenue Bonds

Sales Tax Revenue Bonds, Series 2017 (the Bonds), issued on May 9, 2017, in the original principal amount of \$4,300,000. The Bonds consist of \$1,105,000 of serial bonds due annually in varying amounts from 2017 through 2025 and term bonds due annually in varying amounts from 2026 through 2042 in the amount of \$3,195,000. Interest on the serial and term bonds are payable semiannually at rates ranging from 3.0% to 5.0%, beginning December 1, 2017. The Bonds maturing on and after December 1, 2026 are subject to redemption prior to maturity, at the option of the Town, in whole or in part, and if in part in such order of maturities as the Town shall determine and by lot within a maturity, on December 1, 2025 and on any date thereafter, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. The Bonds maturing on December 1, 2027, December 1, 2029, December 1, 2031, December 1, 2034, December 1, 2037 and December 1, 2042 (the "Term Bonds") are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof, plus accrued interest to the redemption date.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

The Bonds were issued to finance the construction, maintenance, repair, replacement, expansion, acquisition, rehabilitation and renovation of existing and planned streets, boardwalks, sidewalks, pathways, streetscapes, signage, drainage and other street-related capital improvements within the Town.

The Bonds are revenue obligations of the Town payable solely from the pledged revenue, consisting of an additional 1% sales tax approved at an election held on November 8, 2016, an additional 1% sales tax which was being imposed and collected prior to the 2016 election, if necessary, and amounts on deposit in a Surplus Account, if any. Pursuant to the Bond Ordinance, the Town is required to establish a Surplus Fund for the Bonds that will be built up over time from excess pledged revenues to a maximum of \$280,500 in reserve. Monies in the Surplus Fund will be used solely for the purpose of paying the principal or interest on the Series 2017 bonds. Repayment of both principal and interest on the Certificates are insured by Municipal Assurance Corp. The bonds are rated "AA" by Standard & Poor's.

The Bonds mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 115,000	\$ 160,500	\$ 275,500
2023	120,000	157,050	277,050
2024	125,000	153,450	278,450
2025	130,000	149,700	279,700
2026	130,000	145,800	275,800
2027-2031	745,000	645,800	1,390,800
2032-2036	910,000	482,700	1,392,700
2037-2041	1,145,000	243,500	1,388,500
2042	265,000	13,250	278,250
	<u>\$ 3,685,000</u>	<u>\$ 2,151,750</u>	<u>\$ 5,836,750</u>

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Certificates of Participation

\$1,570,000 Certificates of Participation, Series 2021, dated March 9, 2021, with interest of 2.85%, due annually through 2035. The certificates are subject to redemption prior to their respective maturity dates at the option of the District, on June 1, 2026, and on any date thereafter, at a redemption price equal to the principal amount of the certificates. The Certificates have been issued in connection with a lease of the Grand Lake Center from the District to NBH Bank, and a lease back to the District from NBH Bank. Pursuant to the provisions of the Lease, the 2021 Certificates shall be called for redemption in the event that the 2021 Lease Term is terminated by reason of the occurrence of an Event of Nonappropriation or an Event of Default under the 2021 lease. If called for redemption, the Certificates shall be redeemed in whole on such date for a redemption price equal to 100% of the principal amount plus accrued interest to the redemption date. The certificates were issued to finance the acquisition of land to be used for Town purposes and pay the remaining principal due on the Thomasson Park lease discussed below.

The Certificates mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 85,000	\$ 42,038	\$ 127,038
2023	90,000	39,615	129,615
2024	90,000	37,050	127,050
2025	95,000	34,485	129,485
2026	100,000	31,778	131,778
2027-2031	535,000	115,140	650,140
2032-2035	480,000	34,628	514,628
	<u>\$ 1,475,000</u>	<u>\$ 334,733</u>	<u>\$ 1,809,733</u>

Capital Lease Obligations

Thomasson Park

The Town entered into a long-term leasehold agreement on March 4, 2002, which includes an option to purchase and acquire title to the leased property in the original amount of \$400,000. The property provides useful public purposes, including a recreational multi-use trail, watchable wildlife viewing area, a cemetery site, open space and a buffer between the Town and Rocky Mountain National Park.

The agreement's terms require quarterly lease payments by the Town over 30 years at 5% per year with a five-year balloon payment. During the initial five-year term, the Town was to use

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

reasonable efforts to obtain grants or other similar sources of funding that would allow the Town to purchase the property. If the Town was unable to obtain such funding during the initial five-year term, the agreement was automatically extended with the same terms and conditions for an additional five-year term, with the balloon payment due at the end of the five-year extension period. The agreement terminates when all payments are made and the property is conveyed to the Town.

At the end of the initial five-year term, the Town did not obtain funding to purchase the property and exercised the automatic renewal option for an additional five-year term. The second five-year term expired in December 2011. On December 12, 2011, the Town entered into an Extension of Lease Purchase Agreement with the property owner extending the Lease Purchase agreement under the same terms and conditions as the original agreement, for an additional five years through December 31, 2016, with an additional five-year extension if the Town is unable to obtain funding to complete the purchase. On November 3, 2016, the Town extended the lease agreement for an additional 5-year term. This lease is paid from the General Fund.

The lease was paid in full during the year ended December 31, 2021.

2015 Equipment Lease - Loader

On September 25, 2015, The Town entered into a capital lease agreement for a 2015 John Deere 624K Loader in the original principal amount of \$135,285. Lease payments of \$1,337 are due monthly beginning in October 2015 and ending in September 2025, with interest at 3.49%. Lease payments are made by the General Fund. Principal and interest on the lease in 2021 were \$13,817 and \$2,229, respectively.

The net present value of the minimum lease payments as of December 31, 2021 follow:

Year Ending December 31,	Payment Amount
2022	\$ 16,046
2023	16,046
2024	16,046
2025	12,034
Minimum Lease Payments	60,172
Less: Amount representing interest	(3,848)
Present Value of Minimum Lease Payments	<u>\$ 56,324</u>

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

2018 Equipment Lease – Grader

On May 31, 2018, The Town entered into a capital lease agreement for a 2018 John Deere Motor Grader in the original principal amount of \$278,880. Lease payments of \$4,318 are due monthly beginning on July 20, 2018, and ending on June 20, 2024, with interest at 3.75%. Lease payments are made by the General Fund. Principal and interest on the lease in 2021 was \$46,240 and \$5,575, respectively.

The net present value of the minimum lease payments as of December 31, 2021 follow:

Year Ending December 31,	Payment Amount
2022	\$ 51,815
2023	51,815
2024	25,907
Minimum Lease Payments	129,537
Less: Amount representing interest	(6,068)
Present Value of Minimum Lease Payments	<u>\$ 123,469</u>

2019 Equipment Lease – Tractor

On April 30, 2019, The Town entered into a capital lease agreement for a John Deere 54-in Shaft Drive High-Capacity Mower Deck Tractor and a 2020 Chevrolet Silverado MD truck in the original principal amount of \$69,827. Lease payments of \$1,291 are due monthly beginning on May 30, 2019, and ending on April 30, 2024, with interest at 4.72%. Lease payments are made by the General Fund. Principal and interest on the lease in 2021 was \$13,541 and \$1,962, respectively. The Town took delivery of the Tractor in 2019 and the remaining funds intended for the truck were placed in escrow by the Lessor. The Town paid cash for the truck in 2020 and the funds remaining in escrow were repaid to the Town in February 2022 and the lease was paid in full.

Leased equipment under capital leases in capital assets at December 31, 2021, include the following:

Asset	Amount
Loader	\$ 135,285
Grader	278,880
Tractor	21,781
Total Asset Cost	435,946
Less: Accumulated Depreciation	(268,267)
Total	<u>\$ 167,679</u>

Amortization of leased equipment under capital assets is included with depreciation expense.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

Colorado Water Resources and Power Development Authority (CWR&PDA)

On April 9, 2018, the Town issued a note with the CWR&PDA, Drinking Water Revolving Fund, in the original amount of \$1,600,000. The proceeds of the loan were used to construct a new underground water storage tank and associated piping and appurtenances, including demolition of the current storage tank. A total of \$1,532,453 has been advanced to the Town consisting of payments of \$248,643 and \$1,283,810 for the years ended December 31, 2021 and December 31, 2020, respectively. The remaining amount of unused loan funds amounting to \$67,547 were used to reduce the original loan amount. The remaining payments on the note are payable in semi-annual installments of \$47,394 beginning on May 1, 2020 through May 1, 2038, including interest at 2.00%. The loan matures as follows:

	Principal	Interest	Total
2022	\$ 68,598	\$ 26,190	\$ 94,788
2023	69,978	24,810	94,788
2024	71,384	23,404	94,788
2025	72,819	21,969	94,788
2026	74,282	20,506	94,788
2027-2031	394,417	79,523	473,940
2032-2036	435,681	38,259	473,940
2037-2038	139,385	2,797	142,182
	\$ 1,326,544	\$ 237,458	\$ 1,564,002

A provision of the note with the CWR&PDA requires the net revenues (total revenues less operating expenses) be at least 110% of the annual debt service due in any one year. During the year ended December 31, 2021, the Town complied with the rate covenant.

Additionally, the note requires the Town to maintain an operations and reserve fund in an amount equal to three months of operations and maintenance expenses, excluding depreciation. Accordingly, the Town has restricted \$106,458 of the Water Fund's net position, calculated as follows:

Total Operating Expenses	\$581,181
Less Depreciation	(128,523)
Operations and Maintenance Expenses	\$452,658
3 Months of Operations and Maintenance	\$113,166

The Town has pledged the revenue from the operation and use of the water system and other legally available revenue, after the payment of operation and maintenance expenses of the system, for the repayment of the loan.

TOWN OF GRAND LAKE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021**

NOTE 7 RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are financed and funded through participation in the Colorado Intergovernmental Risk Sharing Agency (CIRSA).

CIRSA is a separate legal entity established by member municipalities pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution.

CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, general and automobile liability and public official's 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 those amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

The Town has not been informed of any excess losses that may have been incurred by the pool; there have been no claims in excess of insurance coverage in any of the past three years. There have been no significant changes in insurance coverage from the prior year in any of the major categories of risk.

NOTE 8 COMMITMENTS AND CONTINGENCIES

Grant Programs

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the state and federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

NOTE 9 DEFERRED COMPENSATION PLAN

The Town has a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the MissionSquare Retirement (formerly International City/County Management Association Retirement Corporation). Full time employees are eligible to participate in the plan. The Town matches employee contributions up to 8%. The Town contributed \$57,343 in matching contributions and participating employees contributed \$61,263 for the year ending December 31, 2021.

NOTE 10 TAX SPENDING AND DEBT LIMITATIONS

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits, may require judicial interpretation.

On November 8, 1994, a majority of the Town's electors approved a ballot issue permitting the Town, without increasing or adding any taxes of any kind, to collect, retain, and expend the full proceeds of the Town's fees, revenues and non-federal grants and to spend such revenue for debt service, municipal operations, capital projects, and any other lawful municipal operations, notwithstanding any state restrictions on fiscal year spending, including, without limitation the restrictions of Article X, Section 20, of the Colorado Constitution from the date of January 1, 1994 and thereafter.

SUPPLEMENTARY INFORMATION

TOWN OF GRAND LAKE, COLORADO

**CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021
(With Comparative Totals for December 31, 2020)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Revenues					
General Sales Tax	\$ 435,000	\$ 435,000	\$ 656,779	\$ 221,779	554,671
Grants	700,000	888,360	835,485	(52,875)	78,855
Net Investment Income	15,000	15,000	1,291	(13,709)	6,650
Total Revenues	<u>1,150,000</u>	<u>1,338,360</u>	<u>1,493,555</u>	<u>155,195</u>	<u>640,176</u>
Expenditures					
Capital Outlay	1,977,795	2,255,164	2,253,190	1,974	213,595
Debt service					
Bond Principal	115,000	115,000	115,000	-	110,000
Bond Interest	163,950	163,950	163,950	-	167,250
Bank Fees	1,000	1,000	250	750	-
Subtotal Debt Service	<u>279,950</u>	<u>279,950</u>	<u>279,200</u>	<u>750</u>	<u>277,250</u>
Total Expenditures	<u>2,257,745</u>	<u>2,535,114</u>	<u>2,532,390</u>	<u>2,724</u>	<u>490,845</u>
Excess Revenues Over (Under) Expenditures	<u>(1,107,745)</u>	<u>(1,196,754)</u>	<u>(1,038,835)</u>	<u>157,919</u>	<u>149,331</u>
Other Financing Sources (Uses)					
Transfers In	206,000	206,000	-	(206,000)	-
Net Change in Fund Balance	(901,745)	(990,754)	(1,038,835)	(48,081)	149,331
Fund Balance - Beginning	1,221,284	1,221,284	1,387,865	166,581	1,238,534
Fund Balance - Ending	<u>\$ 319,539</u>	<u>\$ 230,530</u>	<u>\$ 349,030</u>	<u>\$ 118,500</u>	<u>\$ 1,387,865</u>

TOWN OF GRAND LAKE, COLORADO

WATER FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -
BUDGET AND ACTUAL (BUDGETARY BASIS)**

For the Year Ended December 31, 2021

(With Comparative Totals for December 31, 2020)

	Original & Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Revenues				
Water Sales	\$ 600,500	\$ 656,910	\$ 56,410	\$ 609,889
Tap Fees	30,000	45,500	15,500	97,500
Resale Meters	500	271	(229)	-
Bulk Water Permits	500	525	25	525
Miscellaneous	-	113	113	2,152
Interest Income	20,000	799	(19,201)	11,446
Total Revenues	<u>651,500</u>	<u>704,118</u>	<u>52,618</u>	<u>721,512</u>
Expenditures				
Personnel	432,334	309,240	123,094	316,381
Office Supplies	10,885	3,180	7,705	7,100
Operations Supplies	14,100	14,636	(536)	17,751
Repairs and Maintenance	38,950	23,008	15,942	11,107
Resale Supplies	5,650	9,348	(3,698)	-
Purchased Services	17,320	21,531	(4,211)	13,158
Utilities	36,000	41,984	(5,984)	37,219
Professional Services	11,000	7,380	3,620	9,660
Other Expenses	16,150	18,730	(2,580)	13,452
Capital Outlay	-	3,621	(3,621)	25,857
Debt Service-Principal	67,247	67,247	-	65,607
Debt Service-Interest	27,541	27,541	-	29,171
Total Expenditures	<u>677,177</u>	<u>547,446</u>	<u>129,731</u>	<u>546,463</u>
Excess Revenues Over (Under)				
Expenditures	(25,677)	156,672	182,349	175,049
Funds Available - Beginning	<u>1,670,522</u>	<u>1,721,295</u>	<u>50,773</u>	<u>1,546,246</u>
Funds Available - Ending	<u>\$ 1,644,845</u>	<u>\$ 1,877,967</u>	<u>\$ 233,122</u>	<u>\$ 1,721,295</u>
Funds Available is Computed as Follows:				
Current Assets		\$ 1,938,330		\$ 1,773,138
Liabilities		(128,961)		(119,090)
Add Current Portion of Long-Term Debt		68,598		67,247
		<u>\$ 1,877,967</u>		<u>\$ 1,721,295</u>

See the Independent Auditor's Report

TOWN OF GRAND LAKE, COLORADO

MARINA FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -
BUDGET AND ACTUAL (BUDGETARY BASIS)**

For the Year Ended December 31, 2021

(With Comparative Totals for December 31, 2020)

	Original & Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Revenues				
Marina Rentals	\$ 325,000	\$ 306,999	\$ (18,001)	\$ 459,989
Tours	65,000	64,502	(498)	46,291
Rentals	8,200	7,300	(900)	4,537
Miscellaneous	3,000	8,426	5,426	2,647
Interest Income	4,000	1,009	(2,991)	3,276
Sale of Assets	20,000	-	(20,000)	9,551
Total Revenues	<u>425,200</u>	<u>388,236</u>	<u>(36,964)</u>	<u>526,291</u>
Expenditures				
Personnel	230,904	169,791	61,113	137,907
Office Supplies	1,375	370	1,005	3,713
Operations Supplies	15,500	8,595	6,905	8,028
Repairs and Maintenance	16,800	15,440	1,360	21,866
Permits and Fees	26,275	983	25,292	904
Purchased Services	20,575	15,363	5,212	22,151
Utilities	2,800	3,282	(482)	3,274
Professional Services	2,300	2,270	30	4,811
Other Expenses	33,751	38,584	(4,833)	8,364
Capital Outlay	217,597	95,658	121,939	29,103
Total Expenditures	<u>567,877</u>	<u>350,336</u>	<u>217,541</u>	<u>240,121</u>
Excess Revenues Over (Under)				
Expenditures	(142,677)	37,900	180,577	286,170
Funds Available - Beginning	<u>817,024</u>	<u>852,856</u>	<u>35,832</u>	<u>566,686</u>
Funds Available - Ending	<u>\$ 674,347</u>	<u>\$ 890,756</u>	<u>\$ 216,409</u>	<u>\$ 852,856</u>
Funds Available is Computed as Follows:				
Current Assets		\$ 892,451		\$ 854,669
Liabilities		(1,695)		(1,813)
		<u>\$ 890,756</u>		<u>\$ 852,856</u>

See the Independent Auditor's Report

TOWN OF GRAND LAKE, COLORADO

PAY AS YOU THROW FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS AVAILABLE -
BUDGET AND ACTUAL (BUDGETARY BASIS)**

For the Year Ended December 31, 2021

(With Comparative Totals for December 31, 2020)

	Original & Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2020 Actual
Revenues				
Bag Sales	\$ 78,850	\$ 78,564	\$ (286)	\$ 60,371
Interest Income	200	152	(48)	251
Total Revenues	79,050	78,716	(334)	60,622
Expenditures				
Operations Supplies	6,000	2,256	3,744	4,785
Repairs and Maintenance	13,000	13,238	(238)	355
Purchased Services	36,950	26,583	10,367	19,415
Professional Services	390	390	-	390
Other Expenses	583	1	582	299
Capital Outlay	15,000	-	15,000	-
Total Expenditures	71,923	42,468	29,455	25,244
Excess Revenues Over Expenditures	7,127	36,248	29,121	35,378
Funds Available - Beginning	91,183	123,987	32,804	88,609
Funds Available - Ending	\$ 98,310	\$ 160,235	\$ 61,925	\$ 123,987
Funds Available is Computed as Follows:				
Current Assets		\$ 160,635		\$ 124,387
Liabilities		(400)		(400)
		\$ 160,235		\$ 123,987

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

LOCAL HIGHWAY FINANCE REPORT		City or County:
		YEAR ENDING : December 2021
This Information From The Records Of Town of Grand Lake	Prepared By: John Crone, Town Manager Phone: 970-627-3435	

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)	2,341,522
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	348,392
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	37,018
2. General fund appropriations	817,924	b. Snow and ice removal	259,160
3. Other local imposts (from page 2)	692,938	c. Other	12,138
4. Miscellaneous local receipts (from page 2)	3,156	d. Total (a. through c.)	308,316
5. Transfers from toll facilities	0	4. General administration & miscellaneous	47,166
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	22,305
a. Bonds - Original Issues	0	6. Total (1 through 5)	3,067,701
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	164,200
7. Total (1 through 6)	1,514,018	b. Redemption	115,000
B. Private Contributions	0	c. Total (a. + b.)	279,200
C. Receipts from State government (from page 2)	795,958	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	2,309,976	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	279,200
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	3,346,901

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	3,800,000	0	115,000	3,685,000
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
	1,387,865	2,309,976	3,346,901	350,940	0

Notes and Comments:

350,940
0

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2021	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	1,291
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	656,779	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	2,470	f. Charges for Services	1,865
5. Specific Ownership &/or Other	33,689	g. Other Misc. Receipts	0
6. Total (1. through 5.)	692,938	h. Other	0
c. Total (a. + b.)	692,938	i. Total (a. through h.)	3,156
	(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	35,222	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	2,542	d. Federal Transit Admin	0
d. Other (Specify) - DOLA/CDOT	753,022	e. U.S. Corps of Engineers	0
e. Other (Specify) - Cigarette Sales	5,172	f. Other Federal - FHWA	0
f. Total (a. through e.)	760,736	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	795,958	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	0	0
b. Engineering Costs	0	132,883	132,883
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	2,208,639	2,208,639
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	2,208,639	2,208,639
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,341,522	2,341,522
			(Carry forward to page 1)
Notes and Comments:			