

TOWN OF GRAND LAKE, COLORADO

Financial Statements

December 31, 2022

TOWN OF GRAND LAKE COLORADO

Board of Trustees

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Ernie Bjorkman	Mayor Pro-Tem
Michael Arntson	Trustee
Christina Bergquist	Trustee
Daryn Packer	Trustee
Michael Sobon	Trustee
Baxter Strachan	Trustee

Town Officials

John Crone	Town Manager
Heike Wilson	Town Treasurer
Alayna Carrell	Town Clerk

TOWN OF GRAND LAKE COLORADO

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Dazzo & 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, 2022, 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, 2022, 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.

Duggio & Associates, P.C.

March 24, 2023

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, 2022. 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 \$17,414,993 (net position) for the fiscal year reported.

➤ Total net position is comprised of the following:

Net investment in capital assets in the amount of \$10,595,716 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 \$1,046,842 is restricted to parks and open space, debt service, capital projects and emergency reserves.

Net position of \$5,772,435, which includes committed funds for attainable housing and the cemetery, represents the portion available to maintain the Town's continuing obligations to citizens.

➤ Sales tax collections continues to increase in 2022, increasing \$78,399 (3%) over 2021.

➤ The Town's governmental funds (the General and Capital Improvement Funds) report a total ending fund balance of \$4,073,989 this year. The General Fund ending fund balance of \$3,319,754 compares to the prior year ending fund balance of \$3,145,051 an increase of \$174,703 during the current year. In 2022, \$636,368 of the remaining unassigned General Fund balance was assigned to the 2023 budget. 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 \$754,235 for 2022 compared to \$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 2022 versus fiscal year 2021.

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.

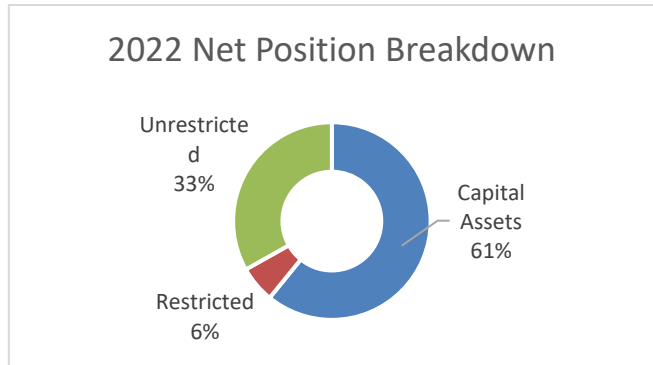
The Town's *combined* net position at fiscal year-end is \$17,414,993. The following table provides a summary of the Town's net position for 2022, compared to 2021.

	Net Position					
	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current Assets	\$ 5,020,524	\$ 4,478,154	\$3,097,637	\$2,991,416	\$ 8,118,161	\$ 7,469,570
Capital Assets	14,676,106	13,687,316	2,261,598	2,331,884	16,937,704	16,019,200
Total Assets	19,696,630	18,165,470	5,359,235	5,323,300	25,055,865	23,488,770
Liabilities						
Current Liabilities	544,178	654,853	141,582	106,010	685,760	760,863
Long-Term	5,086,937	5,459,061	1,223,530	1,282,992	6,310,467	6,742,053
Total Liabilities	5,631,115	6,113,914	1,365,112	1,389,002	6,996,227	7,502,916
Deferred Inflows of Resources	644,645	639,200	-	-	644,645	639,200
Net Position						
Net Investment in						
Capital Assets	9,592,064	8,168,153	1,003,652	1,005,340	10,595,716	9,173,493
Restricted	922,742	516,610	124,100	113,166	1,046,842	629,776
Unrestricted	2,906,064	2,727,593	2,866,371	2,815,792	5,772,435	5,543,385
Total Net Position	\$ 13,420,870	\$ 11,412,356	\$3,994,123	\$3,934,298	\$ 17,414,993	\$ 15,346,654

Total assets amounted to \$25,055,865 in the current year, an increase of \$1,567,095 from the prior year total of \$23,488,770. Total liabilities of \$6,996,227, a decrease of \$506,689 from the prior year total of \$7,502,916. Total net position increased about 13% in the current fiscal year.

Current assets totaled \$8,118,161, an increase of \$648,591 and current liabilities of \$685,760 decreased by \$75,103 in the current year.

The largest portion of the Town's net position (61%) reflects its net investment of \$10,595,716 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 12:1 is an indicator of a strong liquid financial position.

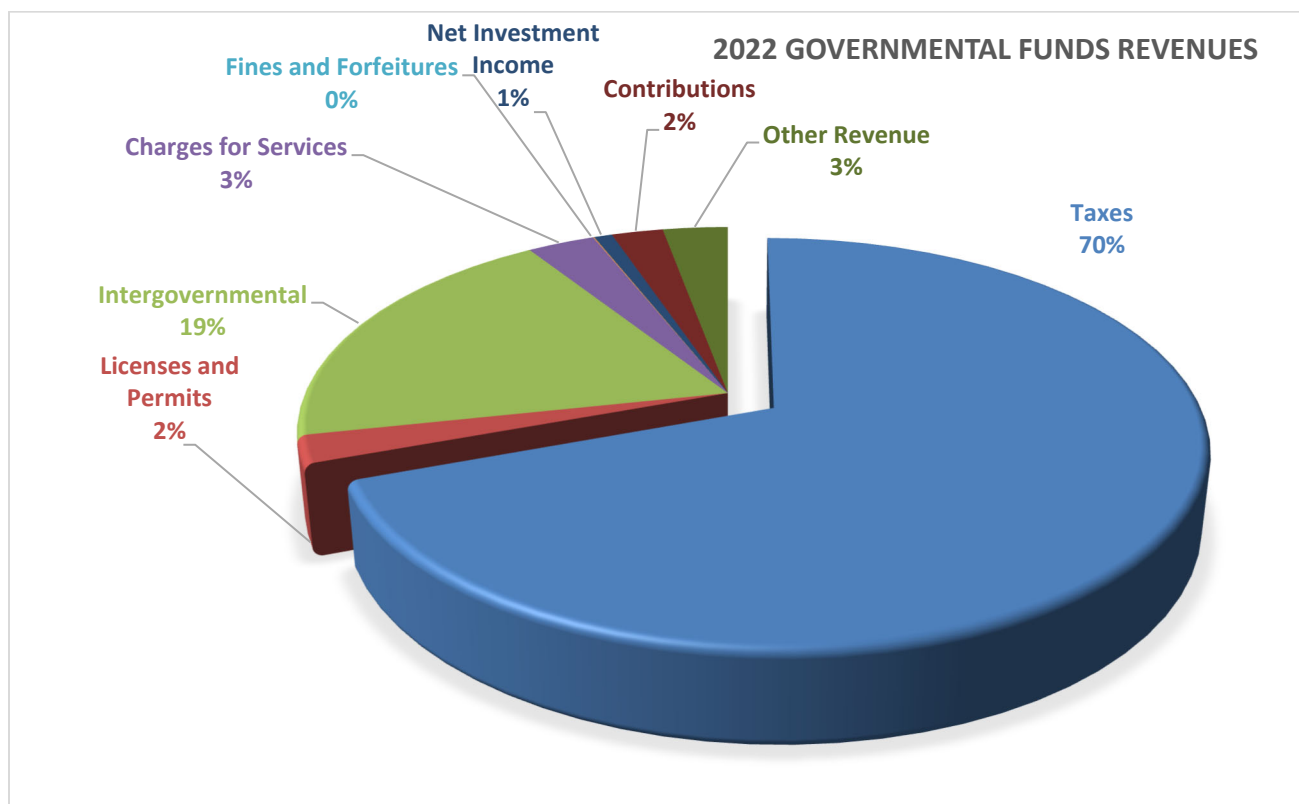
The Town reported a net position increase of \$13,420,870 for governmental activities. Sales and use tax revenue increased \$214,414. Governmental activities expenses increased \$385,569 mainly in the areas of administration, public works and the Grand Lake Center. The Water Enterprise net position increased \$106,363. The net position for the Marina Enterprise decreased \$63,459. Marina operating expenses were \$499,545 this year compared to \$314,182 in 2021, a 59% increase. This is due to increased personnel and operating costs. The PAYT Enterprise saw a net position increase of \$16,921.

The following table provides a summary of the Town's changes in net position for 2022, with a comparison to 2021.

	Changes in Net Position					
	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Permits, Fees, Fines and Charges For Services	\$ 269,123	\$ 197,007	\$1,147,288	\$1,123,610	\$ 1,416,411	\$ 1,320,617
Operating Grants and Contributions	118,395	131,092	35,128	1,960	153,523	133,052
Capital Grants and Contributions	1,566,286	1,314,877	65,000	35,949	1,631,286	1,350,826
General Revenues						
Taxes	3,935,959	3,721,545	-	-	3,935,959	3,721,545
Net Investment Income	42,361	5,485	-	-	42,361	5,485
Other	151,366	108,096	-	-	151,366	108,096
Gain (Loss) on Disposition of Assets	-	-	38,000	9,551	38,000	9,551
Total Revenues	6,083,490	5,478,102	1,285,416	1,171,070	7,368,906	6,649,172
Expenses						
General Government	1,861,158	1,592,452	-	-	1,861,158	1,592,452
Public Safety	222,333	241,839	-	-	222,333	241,839
Public Works	1,330,732	1,208,041	-	-	1,330,732	1,208,041
Grand Lake Center	306,554	218,852	-	-	306,554	218,852
Parks	202,422	175,572	-	-	202,422	175,572
Interest/Related Costs on Long-term Debt	151,777	252,651	-	-	151,777	252,651
Water	-	-	666,296	608,722	666,296	608,722
Marina	-	-	499,545	314,182	499,545	314,182
PAYT	-	-	59,750	42,468	59,750	42,468
Total Expenses	4,074,976	3,689,407	1,225,591	965,372	5,300,567	4,654,779
Change In Net Position	2,008,514	1,788,695	59,825	205,698	2,068,339	1,994,393
Net Position - Beginning	11,412,356	9,623,661	3,934,298	3,728,600	15,346,654	13,352,261
Net Position - Ending	\$ 13,420,870	\$ 11,412,356	\$ 3,994,123	\$ 3,934,298	\$ 17,414,993	\$ 15,346,654

GOVERNMENTAL REVENUES

The Town relies heavily on sales and use taxes to support governmental operations. In 2022, sales and use taxes were 62% of total governmental revenues for the Town increased from the 2021 calculation of 60%. Overall, governmental activities revenues increased 11% when compared with 2021. Sales and use taxes increased \$132,590 (4%) over 2021. Capital grants and contributions revenue increased \$251,409 from the prior year.



GOVERNMENTAL EXPENSES

Overall operating costs increased \$385,569 from the prior year. Public Safety accounts for approximately (5%) of the Town's total governmental expenses and Grand Lake Center accounts for (8%), while General Government (46%) and Public Works/Parks (38%) expenses together comprise (97%) of the total governmental activity costs. The remaining (3%) of costs are attributed to interest on the Town's long-term obligations.

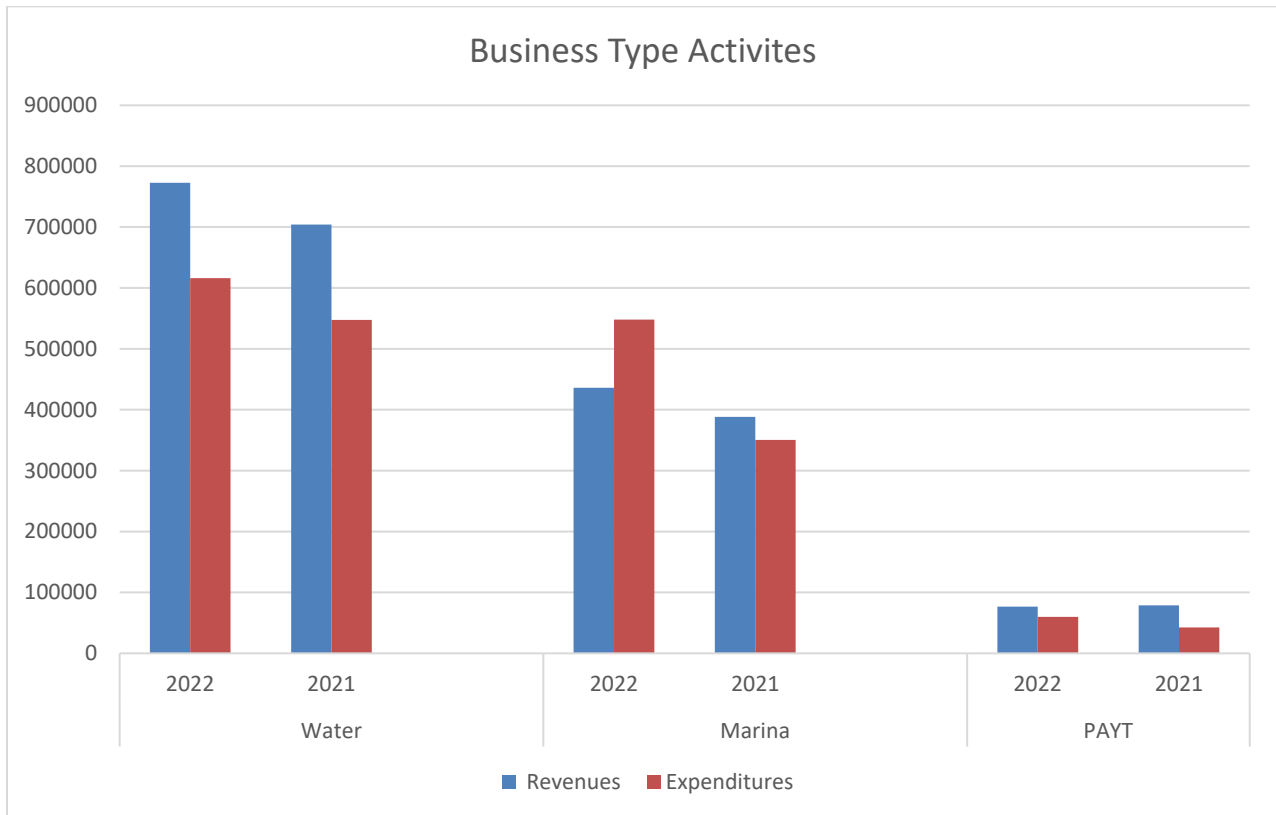
BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

Water Enterprise Fund: Operating revenues increased 3%, or \$21,993 from the prior year. Operating costs increased by \$58,925 or 10%. This business-type activity reported an operating income of \$39,706 in the current year, compared to an operating income of \$76,638 in 2021.

Marina Enterprise Fund: The Marina Enterprise Fund was established in 2007. Pontoon Boats, lake tours and pedal boat rentals generated operating revenue in the amount of \$390,440, increased 3% from 2021. Operating costs were \$499,545, up \$185,363 in the current year, resulting in an operating loss of \$108,740 for 2022. Increased personnel costs, fireworks celebration costs and depreciation on new boats added in the last two years contributed to the increase.

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. PAYT Enterprise reported operating revenue of \$76,671, down 2% from 2021 and expenses increased \$17,282, with a resulting operating income of \$16,921 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 \$3,319,754 of which \$636,368 is intended for fiscal year 2023 expenditures. The Capital Improvement Fund reported an ending fund balance of \$754,235 of which \$473,735 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 \$170,383 in 2022, compared with a fiscal year 2021 fund balance increase of \$436,204.

Total revenues in the General Fund of \$4,841,556 increased \$857,009, about 22% more than 2021 total revenues. The increase was due to increased sales and use tax, grants associated with the Space to Create Project, Community House upgrades and a grant from the Colorado Department of Transportation for downtown improvements. General Fund expenditures of \$4,666,853, a decrease of \$451,490 about 9% less than the prior year.

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 \$695,791 a decrease of \$797,764, (53%) from 2021 total revenues; a result of grants from DOLA and CDOT that were received in 2021. Capital Improvement Fund expenditures of \$290,586 were \$2,241,804 less than the prior year. This decrease in expenditures was the result of the completion of the Phase 3 Streetscape project in 2021.

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, 2022, follow:

	Net Position	Change in Net Position
Water	\$ 2,784,968	\$ 106,363
Marina	1,031,999	(63,459)
PAYT	177,156	16,921

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 \$4,841,556 was \$612,816 more than the budgeted amount of \$4,228,740 (as amended). 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: Sales Tax (\$140,837), Building Use Tax (\$11,281) Motor Vehicle Use Tax (\$35,175), Cemetery (\$14,040), Grand Lake Center (\$40,223), Franchise Tax (\$29,378), Nightly Rental License (\$23,522), Attainable Housing Fee (\$20,184), Interest (\$24,743), Miscellaneous (\$136,366), and Capital Specific Grants (\$127,922).

The total General Fund expenditures of \$4,666,853 were under budget by \$456,313. Additional savings were due to budget management in administration (\$69,943), public works (\$66,451), Grand Lake Center (\$16,106) and parks (\$113,616).

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). Sales and use tax revenue was \$78,539 more than budgeted and expenditures were under budget by \$154,364.

Water Enterprise Fund — The Water Enterprise Fund revenue of \$772,659 was \$140,159 more than budgeted, water sales revenue was \$64,117 more than expected and plant investment fees (more commonly known as tap fees) were \$35,000 more than expected. Water Fund expenses of \$616,071 came in about 19% under the budgeted amount of \$758,409.

Marina Enterprise Fund — The Marina Enterprise Fund had revenues of \$436,086 were under budget by \$36,114 (8%). Marina Fund expenses of \$548,082 were under budget by \$157,077 (22%) when compared to a budget of \$705,159. Rentals and tours revenues were down by 13% of budget due to weather.

PAYT Enterprise Fund — The PAYT Enterprise Fund increased its revenue to \$76,671, which was \$2,179 less than the budgeted figure of \$78,850. Expenses came in at \$59,750, \$4,290 (7%) less than the budget of \$64,040.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's net investment in capital assets as of December 31, 2022, was \$9,592,064 for governmental activities and \$1,003,652 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.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Non-depreciable assets:						
Land	\$ 2,245,719	\$ 2,245,719	\$ 2,270	\$ 2,270	\$ 2,247,989	\$ 2,247,989
CIP	3,499,361	3,029,590	-	-	3,499,361	3,029,590
Total non-depreciable	5,745,080	5,275,309	2,270	2,270	5,747,350	5,277,579
Depreciable assets:						
Buildings	1,524,044	1,468,112	26,935	26,935	1,550,979	1,495,047
Improvements	1,342,888	1,209,695	-	-	1,342,888	1,209,695
Equipment	1,891,448	1,706,261	412,890	388,004	2,304,338	2,094,265
Infrastructure	9,930,043	9,301,102	4,553,530	4,553,530	14,483,573	13,854,632
Marina Equipment	-	-	505,438	487,722	505,438	487,722
Total depreciable assets	14,688,423	13,685,170	5,498,793	5,456,191	20,187,216	19,141,361
Less accumulated depreciation	(5,757,397)	(5,273,163)	(3,239,465)	(3,126,577)	(8,996,862)	(8,399,740)
Book Value - Depreciable assets	8,931,026	8,412,007	2,259,328	2,329,614	11,190,354	10,741,621
Percentage depreciated	39%	39%	59%	57%	45%	44%
Total Book Value	<u>\$ 14,676,106</u>	<u>\$ 13,687,316</u>	<u>\$ 2,261,598</u>	<u>\$ 2,331,884</u>	<u>\$ 16,937,704</u>	<u>\$ 16,019,200</u>

On December 31, 2022, the depreciable capital assets for governmental activities were 39% depreciated. As for the Town's business-type activities, 59% of the asset values were depreciated on December 31, 2022. Governmental activities reflect additions related to new equipment for Public Works and upgrades to the Community House lights and sound and a new roof for the Marina building. Business-type activities numbers reflect the addition of four new pontoon boats.

A water rate study was conducted in 2008 in order 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 in order 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. Currently no increases are scheduled.

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 \$3,570,000 which is being retired with the pledged revenues.

The Town paid off all remaining leases in 2022.

In 2021 the Town entered a certificate of participation (COP) for the purchase of the 21 acres named the Matthews 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. The end of year balance is \$1,389,937.

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 2022, the Town made the required principal and interest payments on the note leaving a principal balance due of \$1,257,946 on December 31, 2022.

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. The last few years have been challenging with being able to forecast the impacts of global, national, state, and local economy events.

Despite the unprecedented impact of the previous year's events Grand Lake is in a strong financial position. In 2022 the 4% sales tax for the year ended 3% (\$78,399) up over 2021 collections and was a record fiscal year of sales tax. The 4% tax generated \$2,601,855 in revenue. Tax generated by the 1% sales tax totaled \$683,173 an increase of \$26,394 over 2021.

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 effects of inflation, rising interest rates and labor shortages, however the Town can pivot quickly if needed. 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 or 2022 on the local economy. 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 2023, 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 flat in 2023, labor shortage may impact the ability of businesses to remain open which would result in lower sales tax revenues.
- 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 have been in effect for the last couple of years and the Town has not seen a decrease in visitors.
- Grand Lake Center has had an increase in memberships which we anticipate continuing.

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 improving 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 Treasurer at P.O. Box 99, Grand Lake, CO 80447.

BASIC FINANCIAL STATEMENTS

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF NET POSITION
December 31, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	\$ 3,583,669	\$ 3,068,092	\$ 6,651,761
Cash and Investments - Restricted	696,620	-	696,620
Receivables:			
Property Taxes	396,582	-	396,582
Sales Taxes	288,075	-	288,075
Accounts	27,884	23,525	51,409
Intergovernmental	14,754	-	14,754
Prepaid Expense	9,277	-	9,277
Inventory	3,663	6,020	9,683
Capital Assets Not Being Depreciated	5,745,080	2,270	5,747,350
Capital Assets, Net of Accumulated Depreciation	8,931,026	2,259,328	11,190,354
Total Assets	19,696,630	5,359,235	25,055,865
Liabilities			
Accounts Payable	167,533	51,632	219,165
Accrued Interest Payable	13,088	-	13,088
Deposits and Prepaid Fees	23,744	11,073	34,817
Unearned Revenue	110,613	-	110,613
Noncurrent Liabilities:			
Due Within One Year	229,200	78,877	308,077
Due In More Than One Year	5,086,937	1,223,530	6,310,467
Total Liabilities	5,631,115	1,365,112	6,996,227
Deferred Inflows of Resources			
Unavailable Revenue - Property Tax	396,582	-	396,582
Unavailable Revenue - Use Tax	248,063	-	248,063
Total Deferred Inflows of Resources	644,645	-	644,645
Net Position			
Net Investment in Capital Assets	9,592,064	1,003,652	10,595,716
Restricted			
Parks and Open Space	41,595	-	41,595
Debt Service	267,412	124,100	391,512
Capital Projects	473,735	-	473,735
Emergency Reserves	140,000	-	140,000
Unrestricted	2,906,064	2,866,371	5,772,435
Total Net Position	\$ 13,420,870	\$ 3,994,123	\$ 17,414,993

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, 2022

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	\$ 1,861,158	\$ 175,421	\$ 64,856	\$ 599,391	\$ (1,021,490)	\$ -	\$ (1,021,490)
Public Safety	222,333	-	-	-	(222,333)	-	(222,333)
Public Works	1,330,732	-	44,815	966,895	(319,022)	-	(319,022)
Grand Lake Center	306,554	93,702	6,121	-	(206,731)	-	(206,731)
Parks	202,422	-	2,603	-	(199,819)	-	(199,819)
Interest and Related Costs on Long-term Debt	151,777	-	-	-	(151,777)	-	(151,777)
Total Governmental Activities	4,074,976	269,123	118,395	1,566,286	(2,121,172)	-	(2,121,172)
Business-type Activities							
Water	666,296	679,812	27,847	65,000	-	106,363	106,363
Marina	499,545	390,805	7,281	38,000	-	(63,459)	(63,459)
Pay As You Throw	59,750	76,671	-	-	-	16,921	16,921
Total Business-type Activities	1,225,591	1,147,288	35,128	103,000	-	59,825	59,825
Total	\$ 5,300,567	\$ 1,416,411	\$ 153,523	\$ 1,669,286	(2,121,172)	59,825	(2,061,347)
General Revenues:							
					401,485	-	401,485
					24,660	-	24,660
					3,416,484	-	3,416,484
					93,330	-	93,330
					42,361	-	42,361
					151,366	-	151,366
					<u>4,129,686</u>	<u>-</u>	<u>4,129,686</u>
					2,008,514	59,825	2,068,339
					<u>11,412,356</u>	<u>3,934,298</u>	<u>15,346,654</u>
					<u>\$ 13,420,870</u>	<u>\$ 3,994,123</u>	<u>\$ 17,414,993</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, 2022**

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and Investments	\$ 3,583,669	\$ -	\$ 3,583,669
Cash and Investments - Restricted	-	696,620	696,620
Receivables:			
Property Taxes	396,582	-	396,582
Sales Taxes	230,460	57,615	288,075
Accounts	27,884	-	27,884
Intergovernmental	14,754	-	14,754
Prepaid Expense	9,277	-	9,277
Inventory	3,663	-	3,663
Total Assets	<u>\$ 4,266,289</u>	<u>\$ 754,235</u>	<u>\$ 5,020,524</u>
Liabilities			
Accounts Payable	\$ 167,533	\$ -	\$ 167,533
Deposits and Prepaid Fees	23,744	-	23,744
Unearned Revenue	110,613	-	110,613
Total Liabilities	<u>301,890</u>	<u>-</u>	<u>301,890</u>
Deferred Inflows of Resources			
Unavailable Revenue - Property Tax	396,582	-	396,582
Unavailable Revenue - Use Tax	248,063	-	248,063
Total Deferred Inflows of Resources	<u>644,645</u>	<u>-</u>	<u>644,645</u>
Fund Balances			
Nonspendable	12,940	-	12,940
Restricted for:			
Emergency Reserves	140,000	-	140,000
Parks and Open Space	41,595	-	41,595
Capital Projects	-	473,735	473,735
Debt Service	-	280,500	280,500
Committed to:			
Affordable Housing	249,183	-	249,183
Cemetery Operations	106,393	-	106,393
Assigned to:			
Subsequent Year's Budget	636,368	-	636,368
Unassigned	2,133,275	-	2,133,275
Total Fund Balances	<u>3,319,754</u>	<u>754,235</u>	<u>4,073,989</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,266,289</u>	<u>\$ 754,235</u>	<u>\$ 5,020,524</u>

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, 2022**

Total Fund Balance - Governmental Funds		\$ 4,073,989
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	\$ 20,433,503	
Less Accumulated Depreciation	<u>(5,757,397)</u>	14,676,106
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	(3,570,000)	
Premium on Sales Tax Bonds	(260,228)	
Certificates of Participation	(1,389,937)	
Compensated Absences	<u>(95,972)</u>	(5,316,137)
Interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due		<u>(13,088)</u>
Net Position - Governmental Activities		<u><u>\$ 13,420,870</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, 2022

	General Fund	Capital Improvement Fund	Total Governmental Funds
Revenues			
Taxes	\$ 3,252,786	\$ 683,173	\$ 3,935,959
Licenses and Permits	116,479	-	116,479
Intergovernmental	1,011,152	-	1,011,152
Charges for Services	157,325	-	157,325
Fines and Forfeitures	205	-	205
Fees and Leases	2,500	-	2,500
Net Investment Income	29,743	12,618	42,361
Contributions	120,000	-	120,000
Other Revenue	151,366	-	151,366
Total Revenues	4,841,556	695,791	5,537,347
Expenditures			
Current			
Boards and Committees	377,257	-	377,257
Administration	981,708	-	981,708
Public Safety	222,333	-	222,333
Public Works	776,414	-	776,414
Grand Lake Center	305,214	-	305,214
Parks	151,351	-	151,351
Capital Outlay	1,540,891	15,086	1,555,977
Debt service			
Principal	264,856	115,000	379,856
Interest and Fees	46,829	160,500	207,329
Total Expenditures	4,666,853	290,586	4,957,439
Net Change in Fund Balances	174,703	405,205	579,908
Fund Balances - Beginning	3,145,051	349,030	3,494,081
Fund Balances - Ending	\$ 3,319,754	\$ 754,235	\$ 4,073,989

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, 2022**

Net Change in Fund Balances - Governmental Funds		\$ 579,908
<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	\$ 1,084,121	
Depreciation	<u>(641,474)</u>	442,647
Contributed assets from the Marina Fund		55,933
Contributed assets		490,210
<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>		
Principal Payment - Sales Tax Bonds	115,000	
Principal payment - Certificates of Participation	85,063	
Principal Payment - Lease Obligations	<u>213,982</u>	414,045
<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	287	
Amortization of premium on bonds	<u>21,076</u>	21,363
<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>4,408</u>
Change in Net Position - Governmental Activities		<u><u>\$ 2,008,514</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, 2022
(With Comparative Totals for December 31, 2021)**

Revenues	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual
Taxes					
Property Tax	\$ 402,268	\$ 402,268	\$ 401,485	\$ (783)	\$ 331,826
Specific Ownership Tax	15,000	15,000	24,660	9,660	25,803
General Sales Tax	2,461,018	2,461,018	2,601,855	140,837	2,523,456
Building Use Tax	45,000	45,000	56,281	11,281	18,377
Motor Vehicle Use Tax	40,000	40,000	75,175	35,175	85,282
Cigarette Tax	3,000	3,000	2,952	(48)	5,172
Franchise Tax	61,000	61,000	90,378	29,378	74,850
Subtotal Taxes	<u>3,027,286</u>	<u>3,027,286</u>	<u>3,252,786</u>	<u>225,500</u>	<u>3,064,766</u>
Licenses & Permits					
Business Licenses	30,000	30,000	28,837	(1,163)	23,446
Rental Licenses	50,000	50,000	73,522	23,522	49,756
Liquor License	4,500	4,500	9,845	5,345	1,464
Other Licenses	3,700	3,700	4,275	575	5,764
Subtotal Licenses & Permits	<u>88,200</u>	<u>88,200</u>	<u>116,479</u>	<u>28,279</u>	<u>80,430</u>
Intergovernmental					
County Road and Bridge	6,492	6,492	9,520	3,028	7,886
Grants	376,421	955,812	963,734	7,922	542,983
Highway Users Tax	30,000	30,000	33,097	3,097	35,222
Conservation Trust Fund	2,000	2,000	2,603	603	3,121
Other Intergovernmental	1,000	1,000	2,198	1,198	1,672
Subtotal Intergovernmental	<u>415,913</u>	<u>995,304</u>	<u>1,011,152</u>	<u>15,848</u>	<u>590,884</u>
Charges for Services					
Attainable Housing Fee	2,000	2,000	22,184	20,184	9,862
Zoning and Subdivision Review	2,000	2,000	3,875	1,875	4,997
Cemetery	4,200	4,200	18,240	14,040	26,825
Grand Lake Center	59,600	59,600	99,823	40,223	86,698
Other Charges for Services	2,600	2,600	13,203	10,603	5,920
Subtotal Charges for Services	<u>70,400</u>	<u>70,400</u>	<u>157,325</u>	<u>86,925</u>	<u>134,302</u>
Fines and Forfeitures	-	-	205	205	-
Fees and Leases	2,500	2,500	2,500	-	1,875
Municipal Fee	50	50	-	(50)	-
Net Investment Income	5,000	5,000	29,743	24,743	4,194
Contributions and Grants	-	-	120,000	120,000	-
Other Revenue	15,000	15,000	151,366	136,366	108,096
Proceeds from Sale of Assets	25,000	25,000	-	(25,000)	-
Total Revenues	<u>\$ 3,649,349</u>	<u>\$ 4,228,740</u>	<u>\$ 4,841,556</u>	<u>\$ 612,816</u>	<u>\$ 3,984,547</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, 2022
(With Comparative Totals for December 31, 2021)**

(Continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>2021 Actual</u>
Expenditures					
Current:					
Boards and Committees					
Board of Trustees	\$ 132,600	\$ 132,600	\$ 217,117	\$ (84,517)	\$ 123,510
Cemetery Committee	11,550	11,550	11,335	215	9,849
Planning Commission & Board of Adjustment	90,000	90,000	91,717	(1,717)	50,231
Greenways Committee	51,585	51,585	57,088	(5,503)	47,536
Subtotal Boards and Committees	<u>285,735</u>	<u>285,735</u>	<u>377,257</u>	<u>(91,522)</u>	<u>231,126</u>
Administration					
Personnel	503,428	503,428	525,127	(21,699)	416,230
Supplies	31,100	31,100	37,823	(6,723)	38,316
Repairs and Maintenance	4,750	4,750	7,747	(2,997)	5,662
Purchased Services	80,150	80,150	58,501	21,649	43,739
Utility Services	17,800	17,800	22,073	(4,273)	28,962
Professional Services	110,800	110,800	52,500	58,300	89,767
Marketing	170,023	170,023	204,370	(34,347)	159,604
Transit	50,000	50,000	-	50,000	-
Economic Development Grants	32,200	32,200	32,200	-	32,200
Other	51,400	51,400	41,367	10,033	35,447
Subtotal Administration	<u>1,051,651</u>	<u>1,051,651</u>	<u>981,708</u>	<u>69,943</u>	<u>849,927</u>
Public Safety					
Personnel	-	-	-	-	18,921
Purchased Services	282,000	282,000	222,333	59,667	223,049
Subtotal Public Safety	<u>282,000</u>	<u>282,000</u>	<u>222,333</u>	<u>59,667</u>	<u>241,970</u>
Public Works					
Personnel	455,225	455,225	524,473	(69,248)	421,744
Supplies	26,000	26,000	6,900	19,100	9,313
Repairs and Maintenance	265,500	265,500	139,078	126,422	133,087
Purchased Services	22,140	22,140	30,291	(8,151)	25,882
Utility Services	47,500	47,500	34,520	12,980	33,124
Professional Services	10,000	10,000	285	9,715	-
Other	16,500	16,500	40,867	(24,367)	5,529
Subtotal Public Works	<u>\$ 842,865</u>	<u>\$ 842,865</u>	<u>\$ 776,414</u>	<u>\$ 66,451</u>	<u>\$ 628,679</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, 2022
(With Comparative Totals for December 31, 2021)**

(Continued)

Expenditures (continued)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual
Grand Lake Center					
Personnel	\$ 177,148	\$ 177,148	\$ 181,020	\$ (3,872)	\$ 145,151
Supplies	6,700	6,700	6,321	379	5,062
Repairs and Maintenance	37,700	37,700	11,020	26,680	7,056
Utility Services	33,000	33,000	35,931	(2,931)	35,038
Professional Services	6,730	6,730	11,186	(4,456)	7,998
Other	60,042	60,042	59,736	306	36,198
Subtotal Grand Lake Center	<u>321,320</u>	<u>321,320</u>	<u>305,214</u>	<u>16,106</u>	<u>236,503</u>
Parks					
Personnel	69,057	69,057	63,647	5,410	32,271
Supplies	25,500	25,500	36,734	(11,234)	45,414
Repairs and Maintenance	132,660	132,660	17,985	114,675	18,946
Utility Services	24,500	24,500	26,013	(1,513)	28,573
Other	13,250	13,250	6,972	6,278	2,214
Subtotal Parks	<u>264,967</u>	<u>264,967</u>	<u>151,351</u>	<u>113,616</u>	<u>127,418</u>
Capital Outlay	<u>1,170,221</u>	<u>1,761,532</u>	<u>1,540,891</u>	<u>220,641</u>	<u>2,305,264</u>
Debt service					
Lease Principal	153,644	266,999	264,856	2,143	386,276
Lease Interest	46,097	46,097	46,829	(732)	42,675
Lease Issue Costs	-	-	-	-	68,505
Subtotal Debt Service	<u>199,741</u>	<u>313,096</u>	<u>311,685</u>	<u>1,411</u>	<u>497,456</u>
Total Expenditures	<u>4,418,500</u>	<u>5,123,166</u>	<u>4,666,853</u>	<u>456,313</u>	<u>5,118,343</u>
Excess Revenues Over (Under) Expenditures	(769,151)	(894,426)	174,703	1,069,129	(1,133,796)
Other Financing Sources					
Proceeds from Debt Issuance	-	-	-	-	1,570,000
Net Change in Fund Balance	(769,151)	(894,426)	174,703	1,069,129	436,204
Fund Balance - Beginning	<u>3,056,705</u>	<u>3,539,778</u>	<u>3,145,051</u>	<u>(394,727)</u>	<u>2,708,847</u>
Fund Balance - Ending	<u>\$ 2,287,554</u>	<u>\$ 2,645,352</u>	<u>\$ 3,319,754</u>	<u>\$ 674,402</u>	<u>\$ 3,145,051</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, 2022**

	Business-type Activities - Enterprise Funds			Total
	Water	Marina	Pay As You Throw	
Assets				
Current Assets				
Cash and Investments	\$ 2,116,662	\$ 783,648	\$ 167,782	\$ 3,068,092
Accounts Receivable	18,725	-	4,800	23,525
Inventory	-	-	6,020	6,020
Total Current Assets	2,135,387	783,648	178,602	3,097,637
Noncurrent Assets				
Capital Assets Not Being Depreciated	2,270	-	-	2,270
Capital Assets, Net of Accumulated Depreciation	2,006,089	253,239	-	2,259,328
Total Noncurrent Assets	2,008,359	253,239	-	2,261,598
Total Assets	4,143,746	1,036,887	178,602	5,359,235
Liabilities				
Current Liabilities				
Accounts Payable	47,371	2,815	1,446	51,632
Compensated Absences	8,500	400	-	8,900
Prepaid Fees	11,073	-	-	11,073
Note Payable - Current	69,977	-	-	69,977
Total Current Liabilities	136,921	3,215	1,446	141,582
Noncurrent Liabilities				
Compensated Absences	33,888	1,673	-	35,561
Note Payable	1,187,969	-	-	1,187,969
Total Noncurrent Liabilities	1,221,857	1,673	-	1,223,530
Total Liabilities	1,358,778	4,888	1,446	1,365,112
Net Position				
Net Investment in Capital Assets	750,413	253,239	-	1,003,652
Restricted for Debt Service	124,100	-	-	124,100
Unrestricted	1,910,455	778,760	177,156	2,866,371
Total Net Position	\$ 2,784,968	\$ 1,031,999	\$ 177,156	\$ 3,994,123

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, 2022**

	Business-type Activities - Enterprise Funds			Total
	Water	Marina	Pay As You Throw	
Operating Revenues				
Charges for Sales and Services				
Water Sales	\$ 664,617	\$ -	\$ -	\$ 664,617
Marina Rentals	-	390,440	-	390,440
PAYT Bag Sales	-	-	76,671	76,671
Other	15,195	365	-	15,560
Total Operating Revenues	<u>679,812</u>	<u>390,805</u>	<u>76,671</u>	<u>1,147,288</u>
Operating Expenses				
Personnel	336,831	210,504	-	547,335
Operations	159,566	141,849	59,750	361,165
Capital Outlay	-	56,084	-	56,084
Depreciation	143,709	91,108	-	234,817
Total Operating Expenses	<u>640,106</u>	<u>499,545</u>	<u>59,750</u>	<u>1,199,401</u>
Operating Income	<u>39,706</u>	<u>(108,740)</u>	<u>16,921</u>	<u>(52,113)</u>
Nonoperating Revenues (Expenses)				
Net Investment Income	27,847	7,281	-	35,128
Interest Expense	(26,190)	-	-	(26,190)
Gain on Disposition of Assets	-	38,000	-	38,000
Total Nonoperating Revenues (Expenses)	<u>1,657</u>	<u>45,281</u>	<u>-</u>	<u>46,938</u>
Income Before Capital Contributions and Transfers	<u>41,363</u>	<u>(63,459)</u>	<u>16,921</u>	<u>(5,175)</u>
Capital Contributions - Tap Fees	65,000	-	-	65,000
Change In Net Position	<u>106,363</u>	<u>(63,459)</u>	<u>16,921</u>	<u>59,825</u>
Net Position - Beginning	<u>2,678,605</u>	<u>1,095,458</u>	<u>160,235</u>	<u>3,934,298</u>
Net Position - Ending	<u><u>\$ 2,784,968</u></u>	<u><u>\$ 1,031,999</u></u>	<u><u>\$ 177,156</u></u>	<u><u>\$ 3,994,123</u></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, 2022

	Business-type Activities - Enterprise Funds			
	Water	Marina	Pay As You Throw	Total
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 686,915	\$ 390,805	\$ 71,871	\$ 1,149,591
Cash Payments to Suppliers for Goods and Services	(108,584)	(195,259)	(60,389)	(364,232)
Cash Payments to Employees for Services	(324,135)	(209,985)	-	(534,120)
Net Cash Provided by Operating Activities	254,196	(14,439)	11,482	251,239
Cash Flows from Capital and Related Financing Activities				
Capital Contributions	65,000	-	-	65,000
Proceeds from Sale of Assets	-	38,000	-	38,000
Acquisition and Construction of Capital Assets	(24,886)	(139,645)	-	(164,531)
Principal Paid on Long-Term Debt	(68,598)	-	-	(68,598)
Interest Paid on Long-Term Debt	(26,190)	-	-	(26,190)
Net Cash Provided (Used) by Capital and Related Financing Activities	(54,674)	(101,645)	-	(156,319)
Cash Flows from Investing Activities				
Net Investment Income	27,847	7,281	-	35,128
Net Increase (Decrease) In Cash and Cash Equivalents	227,369	(108,803)	11,482	130,048
Cash and Cash Equivalents - Beginning	1,889,293	892,451	156,300	2,938,044
Cash and Cash Equivalents - Ending	<u>\$ 2,116,662</u>	<u>\$ 783,648</u>	<u>\$ 167,782</u>	<u>\$ 3,068,092</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ 39,706	\$ (108,740)	\$ 16,921	\$ (52,113)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	143,709	91,108	-	234,817
Effect of Changes In Operating Assets and Liabilities				
Accounts Receivable	23,165	-	(4,800)	18,365
Inventory	7,147	-	(1,685)	5,462
Accounts Payable	43,835	2,674	1,046	47,555
Compensated Absences	12,696	519	-	13,215
Deferred Revenue	(16,062)	-	-	(16,062)
Total Adjustments	214,490	94,301	(5,439)	303,352
Net Cash Provided by Operating Activities	<u>\$ 254,196</u>	<u>\$ (14,439)</u>	<u>\$ 11,482</u>	<u>\$ 251,239</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, 2022

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, 2022

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, 2022

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, 2022**

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

Cash and investments 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. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the Town.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The unearned property tax revenues are 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, 2022

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, 2022

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 assets 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 assets 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

During 2022, the Town adopted a Paid Time Off (PTO) benefit program to replace the vacation, holiday, and compensatory time benefit programs. Full-time non-exempt employees and exempt employees accrue Paid Time Off (PTO) at the rate of 10 hours per pay period. Full-time employees may bank up to 328 hours of PTO. Certain part-time employees accrue PTO at the rate of 3 hours per pay period and may bank up to 100 hours of PTO. PTO may be used at the request of the employee and at the convenience of the Town. For employees hired prior to February 14, 2022, employees had the option to convert their sick leave balances to PTO hours on a 2-for-1 basis or leave their balances intact.

Upon termination, employees are paid for all accrued PTO. For separating employees hired before February 14, 2022, sick leave is paid at two hours for one.

Accumulated unpaid PTO 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.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

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 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.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

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.

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

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

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 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 – Represents the gap between estimated revenue and appropriations in the subsequent year's appropriated 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.

TOWN OF GRAND LAKE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022**

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 amended its annual budget for the year ended December 31, 2022.

NOTE 4 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business- type Activities	Total
Cash and Investments	\$ 3,583,669	\$ 3,068,092	\$ 6,651,761
Cash and Investments - Restricted	696,620	-	696,620
Total	<u>\$ 4,280,289</u>	<u>\$ 3,068,092</u>	<u>\$ 7,348,381</u>

Cash and investments as of December 31, 2022, consist of the following:

	Governmental Activities	Business- type Activities	Total
On-hand	\$ 603	\$ 50	\$ 653
Deposits with Financial Institutions	1,885,173	1,025,608	2,910,781
Investments	2,394,513	2,042,434	4,436,947
Total	<u>\$ 4,280,289</u>	<u>\$ 3,068,092</u>	<u>\$ 7,348,381</u>

TOWN OF GRAND LAKE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022**

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.

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, 2022, the Town's cash deposits had a bank balance of \$2,953,720 and a carrying balance of \$2,910,781. At December 31, 2022, 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.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

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

At December 31, 2022, the Town had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Government Liquid Asset Trust (COLOTRUST PLUS+)	Weighted Average under 60 Days	\$ 3,660,602
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average under 60 Days	<u>776,345</u>
		<u>\$ 4,436,947</u>

COLOTRUST

The District 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 currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

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. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601. As of December 31, 2022, COLOTRUST EDGE possessed a weighted average maturity of 124 days and a weighted average life of 166 days.

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 PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAaf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is 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 the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operations 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, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as 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 CASH FUND is

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

rated AAmmf by Fitch Ratings and CSAFE CORE is rated AAf/S1 by FitchRatings. CSAFE records its investments at amortized cost and the District 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, 2022 for the Town’s governmental activities was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 2,245,719	\$ -	\$ -	\$ 2,245,719
Construction in Progress	3,029,590	469,771	-	3,499,361
Total Capital Assets Not Being Depreciated	5,275,309	469,771	-	5,745,080
Depreciable Capital Assets:				
Buildings	1,468,112	55,932	-	1,524,044
Improvements	1,209,695	133,193	-	1,342,888
Equipment	1,706,261	342,427	157,240	1,891,448
Infrastructure	9,301,102	628,941	-	9,930,043
Total Depreciable Capital Assets	13,685,170	1,160,493	157,240	14,688,423
Accumulated Depreciation:				
Buildings	(493,683)	(27,857)	-	(521,540)
Improvements	(633,370)	(52,060)	-	(685,430)
Equipment	(1,087,716)	(194,484)	(157,240)	(1,124,960)
Infrastructure	(3,058,394)	(367,073)	-	(3,425,467)
Total Accumulated Depreciation	(5,273,163)	(641,474)	(157,240)	(5,757,397)
Net Depreciable Capital Assets	8,412,007	519,019	-	8,931,026
Total Net Governmental Activities	\$ 13,687,316	\$ 988,790	\$ -	\$ 14,676,106

Depreciation expense is allocated to specific departments as follows.

Administration	\$ 24,705
Grand Lake Center	3,819
Public Works	571,820
Parks	41,130
Total Depreciation Expense	\$ 641,474

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

Capital asset activity for the year ended December 31, 2022 for the Town's business-type activities was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 2,270	\$ -	\$ -	\$ 2,270
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>2,270</u>	<u>-</u>	<u>-</u>	<u>2,270</u>
Depreciable Capital Assets:				
Water Utility System	4,553,530	-	-	4,553,530
Water Equipment	388,004	24,886	-	412,890
Water Buildings	26,935	-	-	26,935
Marina Equipment	487,722	139,645	121,929	505,438
Total Depreciable Capital Assets	<u>5,456,191</u>	<u>164,531</u>	<u>121,929</u>	<u>5,498,793</u>
Accumulated Depreciation:				
Water Utility System	(2,513,044)	(104,964)	-	(2,618,008)
Water Equipment	(303,578)	(38,745)	-	(342,323)
Water Buildings	(26,935)	-	-	(26,935)
Marina Equipment	(283,020)	(91,108)	(121,929)	(252,199)
Total Accumulated Depreciation	<u>(3,126,577)</u>	<u>(234,817)</u>	<u>(121,929)</u>	<u>(3,239,465)</u>
Net Depreciable Capital Assets	<u>2,329,614</u>	<u>(70,286)</u>	<u>-</u>	<u>2,259,328</u>
Total Business-Type Activities	<u>\$ 2,331,884</u>	<u>\$ (70,286)</u>	<u>\$ -</u>	<u>\$ 2,261,598</u>

Depreciation was charged to functions/programs as follows:

Water Fund	\$ 143,709
Marina Fund	<u>91,108</u>
Total Depreciation Expense	<u>\$ 234,817</u>

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

NOTE 6 LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term debt for the year ended December 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
2017 Sales Tax Bonds	\$ 3,685,000	\$ -	\$ 115,000	\$ 3,570,000	\$ 120,000
2017 Sales Tax Bonds Premium	281,304	-	21,076	260,228	-
2021 Certificates of Participation	1,475,000	-	85,063	1,389,937	90,000
2015 Lease - Loader	56,324	-	56,324	-	-
2018 Lease - Grader	123,469	-	123,469	-	-
2019 Lease - Tractor	34,189	-	34,189	-	-
Compensated Absences	100,380	90,488	94,896	95,972	19,200
Total	\$ 5,755,666	\$ 90,488	\$ 530,017	\$ 5,316,137	\$ 229,200
Business-type Activities					
Colorado Water Resources & Power Development Authority Water Fund, 2018	\$ 1,326,544	\$ -	\$ 68,598	\$ 1,257,946	\$ 69,977
Compensated Absences	31,246	26,767	13,552	44,461	8,900
	\$ 1,357,790	\$ 26,767	\$ 82,150	\$ 1,302,407	\$ 78,877

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, 2022

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>
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	135,000	140,600	275,600
2028-2032	775,000	616,000	1,391,000
2033-2037	950,000	442,400	1,392,400
2038-2042	1,205,000	186,250	1,391,250
	<u>\$ 3,570,000</u>	<u>\$ 1,991,250</u>	<u>\$ 5,561,250</u>

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

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022

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.

The Certificates mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 90,000	\$ 39,613	\$ 129,613
2024	90,000	37,048	127,048
2025	95,000	34,483	129,483
2026	100,000	31,776	131,776
2027	100,000	28,926	128,926
2028-2032	550,000	99,884	649,884
2033-2035	364,937	20,942	385,879
	<u>\$ 1,389,937</u>	<u>\$ 292,672</u>	<u>\$ 1,682,609</u>

Lease Obligations

2015 Equipment Lease - Loader

On September 25, 2015, The Town entered into a 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.

The lease was paid in full during the year ended December 31, 2022.

2018 Equipment Lease – Grader

On May 31, 2018, The Town entered into a 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.

The lease was paid in full during the year ended December 31, 2022.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

2019 Equipment Lease – Tractor

On April 30, 2019, The Town entered into a 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 2022 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.

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 was advanced to the Town consisting of payments of \$248,643 in 2019 and \$1,283,810 in 2018. 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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	75,775	19,013	94,788
2028-2032	402,345	71,596	473,941
2033-2037	444,438	29,502	473,940
2038	46,925	469	47,394
	<u>\$ 1,257,946</u>	<u>\$ 211,269</u>	<u>\$ 1,469,215</u>

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, 2022, the Town complied with the rate covenant.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

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 \$124,100 of the Water Fund's net position, calculated as follows:

Total Operating Expenses	\$ 640,106
Less Depreciation	<u>(143,709)</u>
Operations and Maintenance Expenses	<u>\$ 496,397</u>
3 Months of Operations and Maintenance	<u>\$ 124,100</u>

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.

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

TOWN OF GRAND LAKE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022**

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.

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 \$64,434 in matching contributions and participating employees contributed \$65,068 for the year ending December 31, 2022.

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.

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

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, 2022
(With Comparative Totals for December 31, 2021)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual
Revenues				
General Sales Tax	\$ 615,252	\$ 683,173	\$ 67,921	656,779
Grants	-	-	-	835,485
Net Investment Income	2,000	12,618	10,618	1,291
Total Revenues	<u>617,252</u>	<u>695,791</u>	<u>78,539</u>	<u>1,493,555</u>
Expenditures				
Capital Outlay	166,000	15,086	150,914	2,253,440
Debt service				
Bond Principal	115,000	115,000	-	115,000
Bond Interest	163,950	160,500	3,450	163,950
Bank Fees	-	-	-	-
Subtotal Debt Service	<u>278,950</u>	<u>275,500</u>	<u>3,450</u>	<u>278,950</u>
Total Expenditures	<u>444,950</u>	<u>290,586</u>	<u>154,364</u>	<u>2,532,390</u>
Net Change in Fund Balance	172,302	405,205	232,903	(1,038,835)
Fund Balance - Beginning	522,353	349,030	(173,323)	1,387,865
Fund Balance - Ending	<u>\$ 694,655</u>	<u>\$ 754,235</u>	<u>\$ 59,580</u>	<u>\$ 349,030</u>

See the Independent Auditor's Report

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, 2022

(With Comparative Totals for December 31, 2021)

	Original & Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual
Revenues				
Water Sales	\$ 600,500	\$ 664,617	\$ 64,117	\$ 656,910
Tap Fees	30,000	65,000	35,000	45,500
Resale Meters	500	14,489	13,989	271
Bulk Water Permits	500	706	206	525
Miscellaneous	-	-	-	113
Interest Income	1,000	27,847	26,847	799
Total Revenues	<u>632,500</u>	<u>772,659</u>	<u>140,159</u>	<u>704,118</u>
Expenditures				
Personnel	482,218	336,831	145,387	309,240
Office Supplies	32,130	1,871	30,259	3,180
Operations Supplies	14,100	15,243	(1,143)	14,636
Repairs and Maintenance	49,054	34,774	14,280	23,008
Resale Supplies	5,650	17,669	(12,019)	9,348
Purchased Services	17,320	16,963	357	21,531
Utilities	36,000	42,360	(6,360)	41,984
Professional Services	11,000	15,085	(4,085)	7,380
Other Expenses	16,150	15,601	549	18,730
Capital Outlay	-	24,886	(24,886)	3,621
Debt Service-Principal	67,247	68,598	(1,351)	67,247
Debt Service-Interest	27,540	26,190	1,350	27,541
Total Expenditures	<u>758,409</u>	<u>616,071</u>	<u>142,338</u>	<u>547,446</u>
Excess Revenues Over (Under)				
Expenditures	(125,909)	156,588	282,497	156,672
Funds Available - Beginning	<u>1,805,981</u>	<u>1,877,967</u>	<u>71,986</u>	<u>1,721,295</u>
Funds Available - Ending	<u>\$ 1,680,072</u>	<u>\$ 2,034,555</u>	<u>\$ 354,483</u>	<u>\$ 1,877,967</u>
Funds Available is Computed as Follows:				
Current Assets		\$ 2,135,387		\$ 1,938,330
Liabilities		(170,809)		(128,961)
Add Current Portion of Long-Term Debt		<u>69,977</u>		<u>68,598</u>
		<u>\$ 2,034,555</u>		<u>\$ 1,877,967</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, 2022

(With Comparative Totals for December 31, 2021)

	Original & Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual
Revenues				
Marina Rentals	\$ 375,000	\$ 321,706	\$ (53,294)	\$ 306,999
Tours	65,000	59,750	(5,250)	64,502
Rentals	8,200	8,984	784	7,300
Miscellaneous	3,000	365	(2,635)	8,426
Interest Income	1,000	7,281	6,281	1,009
Sale of Assets	20,000	38,000	18,000	-
Total Revenues	472,200	436,086	(36,114)	388,236
Expenditures				
Personnel	256,775	210,504	46,271	169,791
Office Supplies	1,403	1,050	353	370
Operations Supplies	15,810	12,189	3,621	8,595
Repairs and Maintenance	17,136	19,416	(2,280)	15,440
Permits and Fees	26,295	6,386	19,909	983
Purchased Services	20,987	15,917	5,070	15,363
Utilities	2,856	4,440	(1,584)	3,282
Professional Services	42,346	2,029	40,317	2,270
Other Expenses	41,551	80,422	(38,871)	38,584
Capital Outlay	280,000	195,729	84,271	95,658
Total Expenditures	705,159	548,082	157,077	350,336
Excess Revenues Over (Under)				
Expenditures	(232,959)	(111,996)	120,963	37,900
Funds Available - Beginning	1,016,255	890,756	(125,499)	852,856
Funds Available - Ending	\$ 783,296	\$ 778,760	\$ (4,536)	\$ 890,756
Funds Available is Computed as Follows:				
Current Assets		\$ 783,648		\$ 892,451
Liabilities		(4,888)		(1,695)
		\$ 778,760		\$ 890,756

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, 2022

(With Comparative Totals for December 31, 2021)

	Original & Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2021 Actual
Revenues				
Bag Sales	\$ 78,850	\$ 76,671	\$ (2,179)	\$ 78,564
Interest Income	200	-	(200)	152
Total Revenues	<u>79,050</u>	<u>76,671</u>	<u>(2,379)</u>	<u>78,716</u>
Expenditures				
Operations Supplies	6,000	6,552	(552)	2,256
Repairs and Maintenance	20,000	20,066	(66)	13,238
Purchased Services	36,950	32,219	4,731	26,583
Professional Services	390	420	(30)	390
Other Expenses	700	493	207	1
Total Expenditures	<u>64,040</u>	<u>59,750</u>	<u>4,290</u>	<u>42,468</u>
Excess Revenues Over Expenditures	15,010	16,921	1,911	36,248
Funds Available - Beginning	<u>146,333</u>	<u>160,235</u>	<u>13,902</u>	<u>123,987</u>
Funds Available - Ending	<u><u>\$ 161,343</u></u>	<u><u>\$ 177,156</u></u>	<u><u>\$ 15,813</u></u>	<u><u>\$ 160,235</u></u>
Funds Available is Computed as Follows:				
Current Assets		\$ 178,602		\$ 160,635
Liabilities		<u>(1,446)</u>		<u>(400)</u>
		<u><u>\$ 177,156</u></u>		<u><u>\$ 160,235</u></u>

See the Independent Auditor's Report

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 2022
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)	166,428
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	449,781
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	46,196
2. General fund appropriations	1,015,928	b. Snow and ice removal	363,694
3. Other local imposts (from page 2)	718,293	c. Other	13,469
4. Miscellaneous local receipts (from page 2)	16,966	d. Total (a. through c.)	423,359
5. Transfers from toll facilities	0	4. General administration & miscellaneous	48,875
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	22,233
a. Bonds - Original Issues	0	6. Total (1 through 5)	1,110,676
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	160,775
7. Total (1 through 6)	1,751,187	b. Redemption	115,000
B. Private Contributions	0	c. Total (a. + b.)	275,775
C. Receipts from State government (from page 2)	38,559	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	1,789,746	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	275,775
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	1,386,451

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	3,685,000	0	115,000	3,570,000
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
	350,940	1,789,746	1,386,451	754,235	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2022

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	12,618
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	683,173	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	940	f. Charges for Services	4,348
5. Specific Ownership &/or Other	34,180	g. Other Misc. Receipts	0
6. Total (1. through 5.)	718,293	h. Other	0
c. Total (a. + b.)	718,293	i. Total (a. through h.)	16,966
	(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	33,097	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	2,510	d. Federal Transit Admin	0
d. Other (Specify) - DOLA/CDOT	0	e. U.S. Corps of Engineers	0
e. Other (Specify) - Cigarette Sales	2,952	f. Other Federal - FHWA	0
f. Total (a. through e.)	5,462	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	38,559	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	0	0
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	166,428	166,428
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	166,428	166,428
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	166,428	166,428
			(Carry forward to page 1)

Notes and Comments: