

TOWN OF GRAND LAKE, COLORADO

Financial Statements

December 31, 2020

TOWN OF GRAND LAKE COLORADO

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Ernie Bjorkman	Mayor Pro-Tem
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TOWN OF GRAND LAKE COLORADO

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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Grand Lake, Colorado as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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 of Grand Lake, Colorado, as of December 31, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15 be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Grand Lake, Colorado's financial statements as a whole. 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 financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The Supplementary Information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other

additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dussio & Associates, P.C.

October 20, 2021

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, 2020. 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 \$13,352,261 (net position) for the fiscal year reported.

➤ Total net position is comprised of the following:

Net investment in capital assets in the amount of \$6,785,526 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 \$1,609,551 is restricted for parks and open space, debt service, capital projects and emergency reserves.

Net position of \$4,957,184, which includes committed funds for attainable housing and the cemetery, represents the portion available to maintain the Town's continuing obligations to citizens.

➤ The COVID-19 pandemic and the East Troublesome Fire impacted the Town in many ways. Despite these incidents, sales tax collections increased \$303,482 (14%) over 2019.

➤ The Town's governmental funds (the General and Capital Improvement Funds) report a total ending fund balance of \$4,096,712 this year. The General Fund ending fund balance of \$2,708,847 compares to the prior year ending fund balance of \$2,193,734, an increase of \$515,113 during the current year. In 2020, \$584,183 of the remaining unassigned General Fund balance was assigned to the 2021 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 \$1,387,865 in 2020.

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 2020 versus fiscal year 2019.

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 \$13,352,261. The following table provides a summary of the Town's net position for 2020, compared to the 2019.

	Net Position					
	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current Assets	\$4,790,630	\$4,464,418	\$2,752,194	\$2,253,691	\$ 7,542,824	\$ 6,718,109
Capital Assets	10,227,033	9,875,948	2,424,253	2,574,138	12,651,286	12,450,086
Total Assets	<u>15,017,663</u>	<u>14,340,366</u>	<u>5,176,447</u>	<u>4,827,829</u>	<u>20,194,110</u>	<u>19,168,195</u>
Liabilities						
Current Liabilities	443,093	624,515	89,393	79,706	532,486	704,221
Long-Term	4,466,183	4,674,337	1,358,454	1,431,842	5,824,637	6,106,179
Total Liabilities	<u>4,909,276</u>	<u>5,298,852</u>	<u>1,447,847</u>	<u>1,511,548</u>	<u>6,357,123</u>	<u>6,810,400</u>
Deferred Inflows of Resources	<u>484,726</u>	<u>620,382</u>	<u>-</u>	<u>-</u>	<u>484,726</u>	<u>620,382</u>
Net Position						
Net Investment in						
Capital Assets	5,755,064	5,186,723	1,030,462	1,114,740	6,785,526	6,301,463
Restricted	1,503,093	1,336,628	106,458	110,917	1,609,551	1,447,545
Unrestricted	<u>2,365,504</u>	<u>1,897,781</u>	<u>2,591,680</u>	<u>2,090,624</u>	<u>4,957,184</u>	<u>3,988,405</u>
Total Net Position	<u>\$9,623,661</u>	<u>\$8,421,132</u>	<u>\$3,728,600</u>	<u>\$3,316,281</u>	<u>\$13,352,261</u>	<u>\$11,737,413</u>

Total assets amounted to \$20,194,110 in the current year, an increase of \$1,025,915 from the prior year total of \$19,168,195. Total liabilities of \$6,357,123 decreased \$453,277 from the prior year total of \$6,810,400. Total net position increased about 14% in the current fiscal year.

Current assets totaled \$7,542,824, an increase of \$824,715 and current liabilities of \$532,486 decreased by \$171,735 in the current year.

The largest portion of the Town's net position (51%) reflects its net investment of \$6,785,526 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 14:1 is an indicator of a strong liquid financial position.

The Town reported a net position increase of \$1,202,529 for governmental activities. Sales and use tax revenue increased \$471,254 and property taxes increased \$60,296 due to a 21% increase in assessed valuation. Governmental activities expenditures increased \$131,849, mainly in the areas of public works and parks. The Water Enterprise net position increased \$108,332, attributed mainly to the collection of \$97,500 in tap fees. The net position for the Marina Enterprise increased \$268,609. Rentals amounted to \$510,817 in 2020 compared to \$355,190 in 2019, a 44% increase. This is the result of increased rentals due partly to the Board of Trustees' decision to replace seasonal boat slip rentals with additional pontoons for increased rental availability and possibly to the public looking for outdoor activities during the COVID-19 pandemic. The PAYT Enterprise saw a net position increase of \$35,378 due to a 18% increase in sales and decreased expenses.

The following table provides a summary of the Town's changes in net position for 2020, with a comparison to 2019.

	Changes in Net Position					
	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Permits, Fees, Fines and Charges For Services	\$ 200,904	\$ 252,092	\$ 1,186,401	\$ 1,026,287	\$ 1,387,305	\$ 1,278,379
Operating Grants and Contributions	185,658	66,329	14,973	35,963	200,631	102,292
Capital Grants and Contributions	168,855	788,088	97,500	84,500	266,355	872,588
General Revenues						
Taxes	3,208,172	2,679,835	-	-	3,208,172	2,679,835
Net Investment Income	18,302	46,716	-	-	18,302	46,716
Other	15,954	55,556	-	-	15,954	55,556
Gain (Loss) on Disposition of Assets	-	-	9,551	(171,435)	9,551	(171,435)
Transfers	-	24,420	-	(24,420)	-	-
Total Revenues	3,797,845	3,913,036	1,308,425	950,895	5,106,270	4,863,931
Expenses						
General Government	833,159	824,559	-	-	833,159	824,559
Public Safety	202,654	248,288	-	-	202,654	248,288
Public Works	959,652	863,474	-	-	959,652	863,474
Grand Lake Center	231,108	215,058	-	-	231,108	215,058
Parks	199,846	135,748	-	-	199,846	135,748
Interest/Related Costs on Long-term Debt	168,897	176,340	-	-	168,897	176,340
Water	-	-	613,180	615,732	613,180	615,732
Marina	-	-	257,682	254,482	257,682	254,482
PAYT	-	-	25,244	37,073	25,244	37,073
Total Expenses	2,595,316	2,463,467	896,106	907,287	3,491,422	3,370,754
Change In Net Position	1,202,529	1,449,569	412,319	43,608	1,614,848	1,493,177
Net Position - Beginning	8,421,132	6,971,563	3,316,281	3,272,673	11,737,413	10,244,236
Net Position - Ending	\$9,623,661	\$8,421,132	\$3,728,600	\$3,316,281	\$13,352,261	\$11,737,413

GOVERNMENTAL REVENUES

The Town relies heavily on sales and use taxes to support governmental operations. In 2020, sales and use taxes were 73% of total governmental revenues for the Town from the 2019 calculation of 59%. Overall, general government revenues are down 2% when compared with 2019. Sales and use taxes increased \$471,254 (14%) over 2019. However, capital grant revenue decreased \$619,233 from prior year due to the completion of the West Portal Bridge Project in 2019 that was partly funded with grant monies.

GOVERNMENTAL EXPENSES

Overall operating costs are up 5% from the prior year. Public Safety accounts for approximately (8%) of the Town's total governmental expenses and Grand Lake Center accounts for (9%), while General Government (32%) and Public Works/Parks (45%) expenses together comprise (77%) of the total governmental activity costs. The remaining (6%) of costs are attributed to interest on the Town's long-term obligations.

BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

Water Enterprise Fund: Operating revenues were down 1%, or \$4,858 from prior year, primarily due to slightly less water sales. Operating costs were relatively flat in the current year compared to prior year. This business-type activity reported an operating income of \$28,557 in the current year, compared to an operating income of \$33,246 in 2019.

Marina Enterprise Fund: The Marina Enterprise Fund was established in 2007. Pontoon and speed boat rentals, lake tours and pedal boat rentals generated operating revenue in the amount of \$513,464, up 44% from 2019. Operating costs were \$257,682, up \$3,200 in the current year, resulting in operating income of \$255,782.

PAYT Enterprise Fund: The Pay-As-You-Throw Enterprise Fund was established in August 2010. PAYT is a self-service trash disposal system. Revenues are derived from trash bags sold wholesale to various vendors for resale and from bags purchased retail by individuals directly from the Town. The PAYT Enterprise reported operating revenue of \$60,371 up 18% from 2019 and expenses decreased \$11,829, with a resulting operating income of \$35,127 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 \$2,708,847, of which \$584,183 is intended for fiscal year 2021 expenditures. The Capital Improvement Fund reported an ending fund balance of \$1,387,865, of which \$1,107,365 is restricted for future Streetscape improvements and \$280,500 for the Surplus Fund set forth in the bond documents.

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 \$515,113 in 2020, compared with a fiscal year 2019 fund balance decrease of \$34,141.

Total revenues in the General Fund of \$3,157,669 decreased \$181,602, about 5% less than 2019 total revenues. The decrease was caused primarily due to decreased grant revenues associated with the West Portal Bridge project completed in 2019. General Fund expenditures of \$2,642,556 decreased \$799,783, about 23% less than prior year. This decrease is also due to the decrease in capital expenditures associated with the West Portal Bridge project as regular operating expenditures decreased approximately \$28,500.

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 \$640,176, an increase of \$90,831, (17%) from 2019 total revenues, a result of increased sales and use tax collections. Capital Improvement Fund expenditures of \$490,845 were \$31,545 more than prior year. This increase in expenditures was the result of increased construction costs related to the Phase 3 Streetscape project.

Proprietary Funds

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

Net position of the enterprise operations at December 31, 2020, follow:

	Net Position	Change in Net Position
Water	\$ 2,583,209	\$ 108,332
Marina	1,021,404	268,609
PAYT	123,987	35,378
	<u>\$ 3,728,600</u>	<u>\$ 412,319</u>

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

Budgetary Highlights

General Fund — General Fund revenue of \$3,157,669 was \$511,822 more than the budgeted amount of \$2,645,847. 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: Property Tax (\$52,911), Sales Tax (\$320,081), Building Use Tax (\$166,254 – based upon the amount of building permits which close each year), Grants (\$29,237), and Attainable Housing Fees (\$17,186).

The total General Fund expenditures of \$2,642,556 were under budget by \$833,142 of which \$476,927 were unexpended for the capital projects. Additional savings were due to budget management in administration (\$99,452), public works (\$217,274), Grand Lake Center (\$46,380) and parks (\$16,269). As is almost always the practice, budgeted amounts for projects that did not receive grant funding or correspond with future year revenues were not expended either. Overall, General Fund expenditures came in at about 76% of budget.

Capital Improvement Fund – The Capital Improvement Fund was created in January 2017 to collect, account for and service debt in relation to a bond initiative (inception of this fund is discussed later in the Long-term Debt portion of this analysis). Total funding for streetscape improvements was projected to be around \$6,000,000 so the Town has pursued grant funding from DOLA to help abate the shortfall of funding between bond financing and projected costs. During 2020, the Town continued with the 3rd phase of the streetscape project, expending nearly \$214,000 towards the project.

Water Enterprise Fund — The Water Enterprise Fund revenue of \$721,512 was \$64,571 more than budgeted, water sales revenue was in line with expectations and plant investment fees (more commonly known as tap fees) were \$65,000 more than expected. Water Fund expenses of \$546,463 came in about 19% under the budgeted amount of \$676,504.

Marina Enterprise Fund — The Marina Enterprise Fund had revenues of \$526,291, exceeding the budget of \$353,900 by \$172,391 (49%). Marina Fund expenses of \$240,121 were under budget by \$159,272 (40%) when compared to a budget of \$399,393. Rentals and tours revenues increased by 44% as more tourists came to the area who tended to look for more outside activities during the COVID-19 pandemic. The operation also had more boats available for rental due in great part a result of the Town Board's decision to eliminate the seasonal boat slip rental program and purchase new boats for additional rental capacity. Operating expenditures amounted to \$211,018 in 2020 compared to \$205,739 in 2019.

PAYT Enterprise Fund — The PAYT Enterprise Fund increased its revenue to \$60,622, which was \$13,422 more than the budgeted figure of \$47,200. Expenses came in at \$25,244, \$13,585 (35%) less than the budget of \$38,829.

Capital Assets and Debt Administration

Capital Assets

The Town's net investment in capital assets as of December 31, 2020, was \$5,755,064 for governmental activities and \$1,030,462 for business-type activities. The governmental activities capital assets include infrastructure that was first reported in 2004.

The following table provides a summary of capital asset activity.

	Capital Assets					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Non-depreciable assets:						
Land	\$ 995,419	\$ 995,419	\$ 2,270	\$ 2,270	\$ 997,689	\$ 997,689
Construction In Progress	<u>693,610</u>	<u>317,160</u>	<u>627</u>	<u>3,164</u>	<u>694,237</u>	<u>320,324</u>
Total non-depreciable	<u>1,689,029</u>	<u>1,312,579</u>	<u>2,897</u>	<u>5,434</u>	<u>1,691,926</u>	<u>1,318,013</u>
Depreciable assets:						
Buildings	1,468,112	1,468,112	26,935	26,935	1,495,047	1,495,047
Improvements	1,063,015	1,063,015	-	-	1,063,015	1,063,015
Equipment	1,640,452	1,316,851	388,004	388,004	2,028,456	1,704,855
Infrastructure	9,101,310	8,949,498	4,553,530	4,567,300	13,654,840	13,516,798
Marina Equipment	<u>-</u>	<u>-</u>	<u>410,268</u>	<u>378,628</u>	<u>410,268</u>	<u>378,628</u>
Total depreciable assets	13,272,889	12,797,476	5,378,737	5,360,867	18,651,626	18,158,343
Accumulated depreciation	<u>(4,734,885)</u>	<u>(4,234,107)</u>	<u>(2,957,381)</u>	<u>(2,792,163)</u>	<u>(7,692,266)</u>	<u>(7,026,270)</u>
Total depreciable assets, net	<u>8,538,004</u>	<u>8,563,369</u>	<u>2,421,356</u>	<u>2,568,704</u>	<u>10,959,360</u>	<u>11,132,073</u>
Percentage depreciated	36%	33%	55%	52%	41%	39%
Total Capital Assets	<u>\$ 10,227,033</u>	<u>\$ 9,875,948</u>	<u>\$ 2,424,253</u>	<u>\$ 2,574,138</u>	<u>\$ 12,651,286</u>	<u>\$ 12,450,086</u>

At December 31, 2020, the depreciable capital assets for governmental activities were 36% depreciated. As for the Town's business-type activities, 55% of the asset values were depreciated at December 31, 2020. Governmental activities reflect additions related to the Space to Create and Streetscape projects, earnest money towards the purchase of the Stanley Property, which was completed in 2021, and various moving stock purchases. Business-type activities numbers were substantially the same.

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.

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 \$4,102,834, which is being retired with the pledged revenues.

The Town also has \$505,258 in governmental capital leases outstanding for various equipment used by Public Works and the acquisition of Thomasson Park. Lease payments and obligations for the leases are funded entirely by the General Fund.

During 2020, the Town retired \$217,256 of governmental activities long-term debt.

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 2020, the Town made the required principal and interest payments on the note leaving a principal balance due of \$1,393,791 at December 31, 2020.

Economic Factors and Next Year's Budgets and Rates

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

Despite the unprecedented impacts of the two events mentioned above, the 4% sales tax for the year ended 14% (\$242,744) up over 2019 collections and was a record fiscal year of sales tax. The 4% tax generated \$1,979,311 in revenue. Tax generated by the 1% sales tax totaled \$494,828, an increase of \$60,738 over 2019.

It is very difficult to anticipate the lasting effects of COVID and the fire on the Town's economy. 2021 will continue to see limited access to the National Park due to entrance restrictions, and it will see limited access to the National Forest due to hazards created by the fire. In 2020, Grand Lake saw a very different demographic in our visitors. Out tourists came almost exclusively from in-state. It is hard to anticipate whether these visitors will continue to come to Grand Lake after travel restrictions are loosened.

The Town will be proceeding with Streetscape and with the paving of Grand Avenue in 2021. These are expensive projects which should show a substantial return for years into the future.

In 2021, there are several factors which can influence the Town's economic situation:

- The Town of Grand Lake will likely see an increase in assessed values used to determine property tax revenue.
- Sales tax revenue is anticipated to remain robust, although the labor shortage may impact the ability of businesses to remain open.
- The Town will continue to actively pursue grant opportunities, including proceeding with the Space to Create program.
- Policies limiting access to the National Park and the National Forest could have significant impacts on tourist visits.
- The ability to get the COVID pandemic under control in the state and the nation will have an overwhelming impact on the Town's situation.
- COVID may also severely impact the ability of the Town to generate revenue from GLC memberships and facility rentals.

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

Contacting the Town's Financial Management

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

BASIC FINANCIAL STATEMENTS

TOWN OF GRAND LAKE, COLORADO

STATEMENT OF NET POSITION
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Investments	\$ 2,724,089	\$ 2,703,848	\$ 5,427,937
Cash and Investments - Restricted	1,247,140	-	1,247,140
Receivables:			
Property Taxes	333,658	-	333,658
Sales Taxes	264,002	-	264,002
Accounts	42,662	34,469	77,131
Intergovernmental	173,961	-	173,961
Other	-	140	140
Prepaid Expense	2,188	-	2,188
Inventory	2,930	13,737	16,667
Capital Assets Not Being Depreciated	1,689,029	2,897	1,691,926
Capital Assets, Net of Accumulated Depreciation	8,538,004	2,421,356	10,959,360
Total Assets	15,017,663	5,176,447	20,194,110
Liabilities			
Accounts Payable	107,164	6,092	113,256
Retainage Payable	8,831	-	8,831
Accrued Interest Payable	14,574	-	14,574
Prepaid Fees	8,597	8,124	16,721
Unearned Revenue - Nightly Rental Licenses	3,600	-	3,600
Parking Fee-In-Lieu	81,000	-	81,000
Noncurrent Liabilities:			
Due Within One Year	219,327	75,177	294,504
Due In More Than One Year	4,466,183	1,358,454	5,824,637
Total Liabilities	4,909,276	1,447,847	6,357,123
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	333,658	-	333,658
Unearned Revenue - Use Tax	151,068	-	151,068
Total Deferred Inflows of Resources	484,726	-	484,726
Net Position			
Net Investment in Capital Assets	5,755,064	1,030,462	6,785,526
Restricted			
Parks and Open Space	35,391	-	35,391
Debt Service	266,837	106,458	373,295
Capital Projects	1,107,365	-	1,107,365
Emergency Reserves	93,500	-	93,500
Unrestricted	2,365,504	2,591,680	4,957,184
Total Net Position	\$ 9,623,661	\$ 3,728,600	\$ 13,352,261

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, 2020**

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	\$ 833,159	\$ 149,372	\$ 145,199	\$ -	\$ (538,588)	\$ -	\$ (538,588)
Public Safety	202,654	-	-	-	(202,654)	-	(202,654)
Public Works	959,652	-	37,851	168,855	(752,946)	-	(752,946)
Grand Lake Center	231,108	51,532	-	-	(179,576)	-	(179,576)
Parks	199,846	-	2,608	-	(197,238)	-	(197,238)
Interest and Related Costs on Long-term Debt	168,897	-	-	-	(168,897)	-	(168,897)
Total Governmental Activities	2,595,316	200,904	185,658	168,855	(2,039,899)	-	(2,039,899)
Business-type Activities							
Water	613,180	612,566	11,446	97,500	-	108,332	108,332
Marina	257,682	513,464	3,276	9,551	-	268,609	268,609
Pay As You Throw	25,244	60,371	251	-	-	35,378	35,378
Total Business-type Activities	896,106	1,186,401	14,973	107,051	-	412,319	412,319
Total	\$ 3,491,422	\$ 1,387,305	\$ 200,631	\$ 275,906	(2,039,899)	412,319	(1,627,580)
General Revenues:							
					334,162	-	334,162
					24,967	-	24,967
					2,773,356	-	2,773,356
					75,687	-	75,687
					18,302	-	18,302
					15,954	-	15,954
					3,242,428	-	3,242,428
					1,202,529	412,319	1,614,848
					8,421,132	3,316,281	11,737,413
					\$ 9,623,661	\$ 3,728,600	\$ 13,352,261

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

TOWN OF GRAND LAKE, COLORADO

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020**

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash and Investments	\$ 2,724,089	\$ -	\$ 2,724,089
Cash and Investments - Restricted	-	1,247,140	1,247,140
Receivables:			
Property Taxes	333,658	-	333,658
Sales Taxes	211,201	52,801	264,002
Accounts	42,662	-	42,662
Intergovernmental	77,206	96,755	173,961
Prepaid Expense	2,188	-	2,188
Inventory	2,930	-	2,930
Total Assets	<u>\$ 3,393,934</u>	<u>\$ 1,396,696</u>	<u>\$ 4,790,630</u>
Liabilities			
Accounts Payable	\$ 107,164	\$ -	\$ 107,164
Retainage Payable	-	8,831	8,831
Prepaid Fees	8,597	-	8,597
Unearned Revenue - Nightly Rental Licenses	3,600	-	3,600
Parking Fee-In-Lieu	81,000	-	81,000
Total Liabilities	<u>200,361</u>	<u>8,831</u>	<u>209,192</u>
Deferred Inflows of Resources			
Unavailable Revenue - Property Taxes	333,658	-	333,658
Unearned Revenue - Use Tax	151,068	-	151,068
Total Deferred Inflows of Resources	<u>484,726</u>	<u>-</u>	<u>484,726</u>
Fund Balances			
Nonspendable	5,118	-	5,118
Restricted for:			
Emergency Reserves	93,500	-	93,500
Parks and Open Space	35,391	-	35,391
Capital Projects	-	1,107,365	1,107,365
Debt Service	-	280,500	280,500
Committed to:			
Affordable Housing	214,881	-	214,881
Cemetery Operations	82,512	-	82,512
Assigned to:			
Subsequent Year's Budget	584,183	-	584,183
Unassigned	1,693,262	-	1,693,262
Total Fund Balances	<u>2,708,847</u>	<u>1,387,865</u>	<u>4,096,712</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,393,934</u>	<u>\$ 1,396,696</u>	<u>\$ 4,790,630</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, 2020**

Total Fund Balance - Governmental Funds		\$ 4,096,712
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	\$ 14,961,918	
Less Accumulated Depreciation	<u>(4,734,885)</u>	10,227,033
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	(3,800,000)	
Premium on Sales Tax Bonds	(302,834)	
Capital Lease Obligations	(505,258)	
Compensated Absences	<u>(77,418)</u>	(4,685,510)
Interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due		<u>(14,574)</u>
Net Position - Governmental Activities		<u><u>\$ 9,623,661</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, 2020

	General Fund	Capital Improvement Fund	Total Governmental Funds
Revenues			
Taxes	\$ 2,653,501	\$ 554,671	\$ 3,208,172
Licenses and Permits	105,951	-	105,951
Intergovernmental	270,658	78,855	349,513
Charges for Services	92,453	-	92,453
Fees and Leases	2,500	-	2,500
Net Investment Income	11,652	6,650	18,302
Contributions	5,000	-	5,000
Other Revenue	15,954	-	15,954
Total Revenues	3,157,669	640,176	3,797,845
Expenditures			
Current			
Boards and Committees	211,595	-	211,595
Administration	579,017	-	579,017
Public Safety	201,060	-	201,060
Public Works	495,199	-	495,199
Grand Lake Center	222,672	-	222,672
Parks	140,135	-	140,135
Capital Outlay	683,639	213,595	897,234
Debt service			
Principal	85,290	110,000	195,290
Interest and Fees	23,949	167,250	191,199
Total Expenditures	2,642,556	490,845	3,133,401
Net Change in Fund Balances	515,113	149,331	664,444
Fund Balances - Beginning	2,193,734	1,238,534	3,432,268
Fund Balances - Ending	\$ 2,708,847	\$ 1,387,865	\$ 4,096,712

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, 2020**

Net Change in Fund Balances - Governmental Funds	\$	664,444
<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	\$ 863,190	
Depreciation	<u>(512,105)</u>	351,085
<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	110,000	
Principal Payment - Capital Lease Obligations	<u>85,290</u>	195,290
<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	336	
Amortization of premium on bonds	<u>21,966</u>	22,302
<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>(30,592)</u>
Change in Net Position - Governmental Activities	\$	<u><u>1,202,529</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, 2020
(With Comparative Totals for December 31, 2019)**

Revenues	Original & Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2019 Actual
Taxes				
Property Tax	\$ 281,251	\$ 334,162	\$ 52,911	\$ 275,292
Specific Ownership Tax	18,000	24,967	6,967	23,541
General Sales Tax	1,659,230	1,979,311	320,081	1,736,567
Building Use Tax	30,000	196,254	166,254	56,956
Motor Vehicle Use Tax	38,000	43,120	5,120	48,200
Cigarette Tax	3,300	4,838	1,538	3,962
Franchise Tax	68,500	70,849	2,349	74,938
Subtotal Taxes	<u>2,098,281</u>	<u>2,653,501</u>	<u>555,220</u>	<u>2,219,456</u>
Licenses & Permits				
Business Licenses	30,000	25,387	(4,613)	31,097
Rental Licenses	84,000	72,600	(11,400)	65,700
Liquor License	2,500	3,986	1,486	2,408
Other Licenses	3,450	3,978	528	4,838
Subtotal Licenses & Permits	<u>119,950</u>	<u>105,951</u>	<u>(13,999)</u>	<u>104,043</u>
Intergovernmental				
County Road and Bridge	6,492	7,880	1,388	6,492
Grants	200,962	230,199	29,237	719,966
Highway Users Tax	31,000	29,796	(1,204)	40,514
Conservation Trust Fund	2,000	2,608	608	2,858
Other Intergovernmental	1,200	175	(1,025)	1,465
Subtotal Intergovernmental	<u>241,654</u>	<u>270,658</u>	<u>29,004</u>	<u>771,295</u>
Charges for Services				
Attainable Housing Fee	2,000	19,186	17,186	24,094
Zoning and Subdivision Review	2,000	300	(1,700)	14,769
Cemetery	6,000	6,950	950	7,650
Grand Lake Center	90,860	51,532	(39,328)	93,437
Other Charges for Services	12,600	14,485	1,885	5,499
Subtotal Charges for Services	<u>113,460</u>	<u>92,453</u>	<u>(21,007)</u>	<u>145,449</u>
Fines and Forfeitures				
	-	-	-	100
Fees and Leases				
	2,500	2,500	-	2,500
Net Investment Income				
	18,000	11,652	(6,348)	25,872
Contributions				
	10,000	5,000	(5,000)	15,000
Other Revenue				
	17,002	15,954	(1,048)	55,556
Proceeds from Sale of Assets				
	25,000	-	(25,000)	-
Total Revenues	<u>\$ 2,645,847</u>	<u>\$ 3,157,669</u>	<u>\$ 511,822</u>	<u>\$ 3,339,271</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, 2020
(With Comparative Totals for December 31, 2019)**

(Continued)

	Original & Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2019 Actual
Expenditures				
Current:				
Boards and Committees				
Board of Trustees	\$ 83,036	\$ 104,274	\$ (21,238)	\$ 98,044
Cemetery Committee	10,175	5,618	4,557	2,342
Planning Commission & Board of Adjustment	65,300	57,703	7,597	17,687
Greenways Committee	45,248	44,000	1,248	43,800
Subtotal Boards and Committees	<u>203,759</u>	<u>211,595</u>	<u>(7,836)</u>	<u>161,873</u>
Administration				
Personnel	329,392	311,875	17,517	353,835
Supplies	26,322	31,062	(4,740)	19,732
Repairs and Maintenance	20,250	5,068	15,182	7,267
Purchased Services	20,075	21,632	(1,557)	19,491
Utility Services	15,500	17,095	(1,595)	15,272
Professional Services	103,560	29,910	73,650	78,129
Marketing	126,970	134,723	(7,753)	139,805
Other	36,400	27,652	8,748	24,874
Subtotal Administration	<u>678,469</u>	<u>579,017</u>	<u>99,452</u>	<u>658,405</u>
Public Safety				
Personnel	19,877	34,252	(14,375)	41,164
Purchased Services	165,858	166,808	(950)	207,124
Subtotal Public Safety	<u>185,735</u>	<u>201,060</u>	<u>(15,325)</u>	<u>248,288</u>
Public Works				
Personnel	360,403	353,166	7,237	336,081
Supplies	16,500	1,028	15,472	10,915
Repairs and Maintenance	267,000	85,387	181,613	82,482
Purchased Services	16,770	17,659	(889)	17,491
Utility Services	38,300	31,963	6,337	32,778
Professional Services	2,000	1,078	922	-
Other	11,500	4,918	6,582	2,805
Subtotal Public Works	<u>\$ 712,473</u>	<u>\$ 495,199</u>	<u>\$ 217,274</u>	<u>\$ 482,552</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, 2020
(With Comparative Totals for December 31, 2019)**

(Continued)

Expenditures (continued)	Original & Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2019 Actual
Grand Lake Center				
Personnel	\$ 164,128	\$ 153,598	\$ 10,530	\$ 123,570
Supplies	6,500	8,171	(1,671)	7,018
Repairs and Maintenance	31,700	8,533	23,167	30,638
Utility Services	32,980	28,495	4,485	25,808
Professional Services	6,702	4,370	2,332	5,474
Other	27,042	19,505	7,537	21,502
Subtotal Grand Lake Center	<u>269,052</u>	<u>222,672</u>	<u>46,380</u>	<u>214,010</u>
Parks				
Personnel	66,154	64,102	2,052	60,659
Supplies	17,050	24,846	(7,796)	11,268
Repairs and Maintenance	45,950	19,431	26,519	11,144
Utility Services	20,000	29,483	(9,483)	20,058
Other	7,250	2,273	4,977	1,215
Subtotal Parks	<u>156,404</u>	<u>140,135</u>	<u>16,269</u>	<u>104,344</u>
Capital Outlay	<u>1,160,566</u>	<u>683,639</u>	<u>476,927</u>	<u>1,416,900</u>
Debt service				
Lease Principal	85,290	85,290	-	127,576
Lease Interest	23,950	23,949	1	28,391
Subtotal Debt Service	<u>109,240</u>	<u>109,239</u>	<u>1</u>	<u>155,967</u>
Reserves	-	-	-	-
Total Expenditures	<u>3,475,698</u>	<u>2,642,556</u>	<u>833,142</u>	<u>3,442,339</u>
Excess Revenues Over (Under)				
Expenditures	(829,851)	515,113	1,344,964	(103,068)
Other Financing Sources				
Capital Lease Proceeds	-	-	-	68,927
Transfers In	100,000	-	(100,000)	-
Total Other Financing Sources	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>	<u>68,927</u>
Net Change in Fund Balance	(729,851)	515,113	1,244,964	(34,141)
Fund Balance - Beginning	1,932,884	2,193,734	260,850	2,227,875
Fund Balance - Ending	<u>\$ 1,203,033</u>	<u>\$ 2,708,847</u>	<u>\$ 1,505,814</u>	<u>\$ 2,193,734</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, 2020**

	Business-type Activities - Enterprise Funds			Total
	Water	Marina	Pay As You Throw	
Assets				
Current Assets				
Cash and Investments	\$ 1,731,382	\$ 854,669	\$ 117,797	\$ 2,703,848
Accounts Receivable	34,469	-	-	34,469
Other Receivables	140	-	-	140
Inventory	7,147	-	6,590	13,737
Total Current Assets	1,773,138	854,669	124,387	2,752,194
Noncurrent Assets				
Capital Assets Not Being Depreciated	2,270	627	-	2,897
Capital Assets, Net of Accumulated Depreciation	2,253,435	167,921	-	2,421,356
Total Noncurrent Assets	2,255,705	168,548	-	2,424,253
Total Assets	4,028,843	1,023,217	124,387	5,176,447
Liabilities				
Current Liabilities				
Accounts Payable	5,039	653	400	6,092
Compensated Absences	7,700	230	-	7,930
Prepaid Fees	8,124	-	-	8,124
Note Payable - Current	67,247	-	-	67,247
Total Current Liabilities	88,110	883	400	89,393
Noncurrent Liabilities				
Compensated Absences	30,980	930	-	31,910
Note Payable	1,326,544	-	-	1,326,544
Total Noncurrent Liabilities	1,357,524	930	-	1,358,454
Total Liabilities	1,445,634	1,813	400	1,447,847
Net Position				
Net Investment in Capital Assets	861,914	168,548	-	1,030,462
Restricted for Debt Service	106,458	-	-	106,458
Unrestricted	1,614,837	852,856	123,987	2,591,680
Total Net Position	\$ 2,583,209	\$ 1,021,404	\$ 123,987	\$ 3,728,600

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, 2020**

	Business-type Activities - Enterprise Funds			Total
	Water	Marina	Pay As You Throw	
Operating Revenues				
Charges for Sales and Services				
Water Sales	\$ 609,889	\$ -	\$ -	\$ 609,889
Marina Rentals	-	510,817	-	510,817
PAYT Bag Sales	-	-	60,371	60,371
Other	2,677	2,647	-	5,324
Total Operating Revenues	<u>612,566</u>	<u>513,464</u>	<u>60,371</u>	<u>1,186,401</u>
Operating Expenses				
Personnel	316,381	137,907	-	454,288
Operations	109,447	73,111	25,244	207,802
Depreciation	158,181	46,664	-	204,845
Total Operating Expenses	<u>584,009</u>	<u>257,682</u>	<u>25,244</u>	<u>866,935</u>
Operating Income	<u>28,557</u>	<u>255,782</u>	<u>35,127</u>	<u>319,466</u>
Nonoperating Revenues (Expenses)				
Net Investment Income	11,446	3,276	251	14,973
Interest Expense	(29,171)	-	-	(29,171)
Gain on Disposition of Assets	-	9,551	-	9,551
Total Nonoperating Revenues (Expenses)	<u>(17,725)</u>	<u>12,827</u>	<u>251</u>	<u>(4,647)</u>
Income Before Capital Contributions and Transfers	10,832	268,609	35,378	314,819
Capital Contributions - Tap Fees	97,500	-	-	97,500
Change In Net Position	108,332	268,609	35,378	412,319
Net Position - Beginning	2,474,877	752,795	88,609	3,316,281
Net Position - Ending	<u>\$ 2,583,209</u>	<u>\$ 1,021,404</u>	<u>\$ 123,987</u>	<u>\$ 3,728,600</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, 2020

	Business-type Activities - Enterprise Funds			Total
	Water	Marina	Pay As You Throw	
Cash Flows from Operating Activities				
Cash Received from Customers	\$ 592,017	\$ 513,464	\$ 60,371	\$ 1,165,852
Cash Payments to Suppliers for Goods and Services	(109,847)	(72,738)	(23,300)	(205,885)
Cash Payments to Employees for Services	(315,642)	(137,706)	-	(453,348)
Net Cash Provided by Operating Activities	<u>166,528</u>	<u>303,020</u>	<u>37,071</u>	<u>506,619</u>
Cash Flows from Capital and Related Financing Activities				
Capital Contributions	97,500	-	-	97,500
Loan Proceeds	25,000	-	-	25,000
Proceeds from Sale of Assets	-	9,551	-	9,551
Acquisition and Construction of Capital Assets	(25,857)	(29,103)	-	(54,960)
Principal Paid on Long-Term Debt	(65,607)	-	-	(65,607)
Interest Paid on Long-Term Debt	(29,171)	-	-	(29,171)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,865</u>	<u>(19,552)</u>	<u>-</u>	<u>(17,687)</u>
Cash Flows from Investing Activities				
Net Investment Income	11,446	3,276	251	14,973
Net Increase (Decrease) In Cash and Cash Equivalents	<u>179,839</u>	<u>286,744</u>	<u>37,322</u>	<u>503,905</u>
Cash and Cash Equivalents - Beginning	<u>1,551,543</u>	<u>567,925</u>	<u>80,475</u>	<u>2,199,943</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 1,731,382</u></u>	<u><u>\$ 854,669</u></u>	<u><u>\$ 117,797</u></u>	<u><u>\$ 2,703,848</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income	\$ 28,557	\$ 255,782	\$ 35,127	\$ 319,466
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	158,181	46,664	-	204,845
Effect of Changes In Operating Assets and Liabilities				
Accounts Receivable	(21,530)	-	-	(21,530)
Inventory	-	-	1,269	1,269
Other Receivables	225	-	-	225
Prepaid Expense	-	-	438	438
Accounts Payable	(400)	373	237	210
Compensated Absences	739	201	-	940
Deferred Revenue	756	-	-	756
Total Adjustments	<u>137,971</u>	<u>47,238</u>	<u>1,944</u>	<u>187,153</u>
Net Cash Provided by Operating Activities	<u><u>\$ 166,528</u></u>	<u><u>\$ 303,020</u></u>	<u><u>\$ 37,071</u></u>	<u><u>\$ 506,619</u></u>

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

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

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, 2020

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, 2020

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, 2020

Pooled Cash and Investments

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

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

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

Restricted Assets

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

Property Taxes

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

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

Inventories

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

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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, 2020

Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

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

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

Long-term Obligations

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

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

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

Net Position and Fund Equity

Net Position

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

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

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

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

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

Fund Balances

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

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

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

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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 unspent bond proceeds restricted for road improvements.

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

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

The following fund balances are committed:

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

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

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

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

The following fund balances are assigned:

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

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

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

Use of Estimates

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

NOTE 3 BUDGETARY INFORMATION

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

The Town has amended its annual budget for the year ended December 31, 2020.

TOWN OF GRAND LAKE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020**

NOTE 4 CASH AND INVESTMENTS

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business- type Activities	Total
Cash and Investments	\$ 2,724,089	\$ 2,703,848	\$ 5,427,937
Cash and Investments - Restricted	1,247,140	-	1,247,140
Total	\$ 3,971,229	\$ 2,703,848	\$ 6,675,077

Cash and investments as of December 31, 2020, consist of the following:

	Governmental Activities	Business- type Activities	Total
On-hand	\$ 451	\$ 50	\$ 501
Deposits with Financial Institutions	2,117,344	697,424	2,814,768
Investments	1,853,434	2,006,374	3,859,808
Total	\$ 3,971,229	\$ 2,703,848	\$ 6,675,077

Cash Deposits

Custodial credit risk

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

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

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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, 2020, the Town's cash deposits had a bank balance of \$2,843,229 and a carrying balance of \$2,814,768. At December 31, 2020, the Town's deposits were both insured by federal depository insurance and collateralized with securities held by third parties not in the Town's name, and consequently were not exposed to custodial credit risk.

Investments

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

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

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

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

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

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

At December 31, 2020, the Town had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Government Liquid Asset Trust (COLOTRUST)	Weighted Average under 60 Days	\$ 3,595,925
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted Average under 60 Days	<u>263,883</u>
		<u>\$ 3,859,808</u>

COLOTRUST

The Town invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the Town records its investment in COLOTRUST using the net asset value method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

CSAFE

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

TOWN OF GRAND LAKE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020**

segregate investments owned by CSAFE. CSAFE is rated AAAm by Standard & Poor's. CSAFE records its investments at amortized cost and the Town records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 for the Town's governmental activities was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 995,419	\$ -	\$ -	\$ 995,419
Construction in Progress	317,160	423,596	47,146	693,610
Total Capital Assets Not Being Depreciated	<u>1,312,579</u>	<u>423,596</u>	<u>47,146</u>	<u>1,689,029</u>
Depreciable Capital Assets:				
Buildings	1,468,112	-	-	1,468,112
Improvements	1,063,015	-	-	1,063,015
Equipment	1,316,851	334,928	11,327	1,640,452
Infrastructure	8,949,498	151,812	-	9,101,310
Total Depreciable Capital Assets	<u>12,797,476</u>	<u>486,740</u>	<u>11,327</u>	<u>13,272,889</u>
Accumulated Depreciation:				
Buildings	(445,425)	(24,129)	-	(469,554)
Improvements	(566,763)	(24,711)	-	(591,474)
Equipment	(839,277)	(128,552)	(11,327)	(956,502)
Infrastructure	(2,382,642)	(334,713)	-	(2,717,355)
Total Accumulated Depreciation	<u>(4,234,107)</u>	<u>(512,105)</u>	<u>(11,327)</u>	<u>(4,734,885)</u>
Net Depreciable Capital Assets	<u>8,563,369</u>	<u>(25,365)</u>	<u>-</u>	<u>8,538,004</u>
Total Net Governmental Activities	<u>\$ 9,875,948</u>	<u>\$ 398,231</u>	<u>\$ 47,146</u>	<u>\$ 10,227,033</u>

Depreciation expense is allocated to specific departments as follows.

General Government	\$ 26,625
Public Works	453,488
Parks	31,992
Total Depreciation Expense	<u>\$ 512,105</u>

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

Capital asset activity for the year ended December 31, 2020 for the Town's business-type activities was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 2,270	\$ -	\$ -	\$ 2,270
Construction in Progress	3,164	627	3,164	627
Total Capital Assets Not Being Depreciated	<u>5,434</u>	<u>627</u>	<u>3,164</u>	<u>2,897</u>
Depreciable Capital Assets:				
Water Utility System	4,567,300	25,857	39,627	4,553,530
Water Equipment	388,004	-	-	388,004
Water Buildings	26,935	-	-	26,935
Marina Equipment	378,628	31,640	18,831	391,437
Total Depreciable Capital Assets	<u>5,360,867</u>	<u>57,497</u>	<u>58,458</u>	<u>5,359,906</u>
Accumulated Depreciation:				
Water Utility System	(2,323,760)	(124,837)	(39,627)	(2,408,970)
Water Equipment	(245,785)	(33,344)	-	(279,129)
Water Buildings	(26,935)	-	-	(26,935)
Marina Equipment	(195,683)	(46,664)	(18,831)	(223,516)
Total Accumulated Depreciation	<u>(2,792,163)</u>	<u>(204,845)</u>	<u>(58,458)</u>	<u>(2,938,550)</u>
Net Depreciable Capital Assets	<u>2,568,704</u>	<u>(147,348)</u>	<u>-</u>	<u>2,421,356</u>
Total Business-Type Activities	<u>\$ 2,574,138</u>	<u>\$ (146,721)</u>	<u>\$ 3,164</u>	<u>\$ 2,424,253</u>

Depreciation was charged to functions/programs as follows:

Water Fund	\$ 158,181
Marina Fund	<u>46,664</u>
Total Depreciation Expense	<u>\$ 204,845</u>

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 6 LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term debt for the year ended December 31, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
2017 Sales Tax Bonds	\$ 3,910,000	\$ -	\$ 110,000	\$ 3,800,000	\$ 115,000
2017 Sales Tax Bonds Premium	324,800	-	21,966	302,834	-
Capital Lease - Thomasson Park	232,166	-	14,488	217,678	15,229
2015 Capital Lease - Loader	83,485	-	13,344	70,141	13,817
2018 Capital Lease - Grader	214,250	-	44,541	169,709	46,240
2019 Capital Lease - Tractor/Truck	60,647	-	12,917	47,730	13,541
Compensated Absences	46,826	63,405	32,813	77,418	15,500
Total	\$ 4,872,174	\$ 63,405	\$ 250,069	\$ 4,685,510	\$ 219,327
Business-type Activities					
Colorado Water Resources & Power Development Authority					
Water Fund, 2018	\$ 1,459,398	\$ -	\$ 65,607	\$ 1,393,791	\$ 67,247
Compensated Absences	38,900	8,634	7,694	39,840	7,930
	\$ 1,498,298	\$ 8,634	\$ 73,301	\$ 1,433,631	\$ 75,177

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, 2020**

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>
2021	\$ 115,000	\$ 163,950	\$ 278,950
2022	115,000	160,500	275,500
2023	120,000	157,050	277,050
2024	125,000	153,450	278,450
2025	130,000	149,700	279,700
2026-2030	715,000	674,400	1,389,400
2031-2035	870,000	519,400	1,389,400
2036-2040	1,095,000	298,250	1,393,250
2041-2042	515,000	39,000	554,000
	<u>\$ 3,800,000</u>	<u>\$ 2,315,700</u>	<u>\$ 6,115,700</u>

Capital Lease Obligations

Thomasson Park

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

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

The agreement's terms require quarterly lease payments by the Town over 30 years at 5% per year with a five-year balloon payment. During the initial five-year term, the Town was to use reasonable efforts to obtain grants or other similar sources of funding that would allow the Town to purchase the property. If the Town was unable to obtain such funding during the initial five-year term, the agreement was automatically extended with the same terms and conditions for an additional five-year term, with the balloon payment due at the end of the five-year extension period. The agreement terminates when all payments are made and the property is conveyed to the Town.

At the end of the initial five-year term, the Town did not obtain funding to purchase the property and exercised the automatic renewal option for an additional five-year term. The second five-year term expired in December 2011. On December 12, 2011, the Town entered into an Extension of Lease Purchase Agreement with the property owner extending the Lease Purchase agreement under the same terms and conditions as the original agreement, for an additional five years through December 31, 2016, with an additional five-year extension if the Town is unable to obtain funding to complete the purchase. On November 3, 2016, the Town extended the lease agreement for an additional 5-year term. This lease is paid from the General Fund. Principal and interest on the lease in 2020 were \$14,488 and \$11,387, respectively.

Principal and interest remaining on the lease follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 15,229	\$ 10,646	\$ 25,875
2022	16,009	9,866	25,875
2023	16,828	9,047	25,875
2024	17,689	8,186	25,875
2025	18,594	7,281	25,875
2026-3030	108,248	21,127	129,375
2031	25,081	790	25,871
	<u>\$ 217,678</u>	<u>\$ 66,943</u>	<u>\$ 284,621</u>

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

2015 Equipment Lease - Loader

On September 25, 2015, The Town entered into a capital lease agreement for a 2015 John Deere 624K Loader in the original principal amount of \$135,285. Lease payments of \$1,337 are due monthly beginning in October 2015 and ending in September 2025, with interest at 3.49%. Lease payments are made by the General Fund. Principal and interest on the lease in 2020 were \$13,344 and \$2,702, respectively.

The net present value of the minimum lease payments as of December 31, 2020 follow:

Year Ending December 31,	Payment Amount
2021	\$ 16,046
2022	16,046
2023	16,046
2024	16,046
2025	<u>12,034</u>
Minimum Lease Payments	76,218
Less: Amount representing interest	<u>(6,077)</u>
Present Value of Minimum Lease Payments	<u>\$ 70,141</u>

2018 Equipment Lease – Grader

On May 31, 2018, The Town entered into a capital lease agreement for a 2018 John Deere Motor Grader in the original principal amount of \$278,880. Lease payments of \$4,318 are due monthly beginning on July 20, 2018, and ending on June 20, 2024, with interest at 3.75%. Lease payments are made by the General Fund. Principal and interest on the lease in 2020 was \$44,541 and \$7,274, respectively.

The net present value of the minimum lease payments as of December 31, 2020 follow:

Year Ending December 31,	Payment Amount
2021	\$ 51,815
2022	51,815
2023	51,815
2024	<u>25,907</u>
Minimum Lease Payments	181,352
Less: Amount representing interest	<u>(11,643)</u>
Present Value of Minimum Lease Payments	<u>\$ 169,709</u>

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

2019 Equipment Lease – Tractor

On April 30, 2019, The Town entered into a capital lease agreement for a John Deere 54-in Shaft Drive High-Capacity Mower Deck Tractor and a 2020 Chevrolet Silverado MD truck in the original principal amount of \$69,827. Lease payments of \$1,291 are due monthly beginning on May 30, 2019, and ending on April 30, 2024, with interest at 4.72%. Lease payments are made by the General Fund. Principal and interest on the lease in 2020 was \$8,280 and \$2,056, respectively. The Town took delivery of the Tractor in 2019 and will take delivery of the truck in 2020.

The net present value of the minimum lease payments as of December 31, 2020 follow:

Year Ending December 31,	Payment Amount
2021	\$ 15,503
2022	15,503
2023	15,503
2024	5,168
Minimum Lease Payments	51,677
Less: Amount representing interest	(3,947)
Present Value of Minimum Lease Payments	<u>\$ 47,730</u>

Leased equipment under capital leases in capital assets at December 31, 2020, include the following:

Asset	Amount
Loader	\$ 135,285
Grader	278,880
Tractor/Truck	68,927
Total Asset Cost	483,092
Less: Accumulated Depreciation	(211,042)
Total	<u>\$ 272,050</u>

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

TOWN OF GRAND LAKE, COLORADO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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

On April 9, 2018, the Town issued a note with the CWR&PDA, Drinking Water Revolving Fund, in the original amount of \$1,600,000. The proceeds of the loan were used to construct a new underground water storage tank and associated piping and appurtenances, including demolition of the current storage tank. A total of \$1,532,453 has been advanced to the Town consisting of payments of \$248,643 and \$1,283,810 for the years ended December 31, 2020 and December 31, 2019, respectively. The remaining amount of unused loan funds amounting to \$67,547 were used to reduce the original loan amount. The remaining payments on the note are payable in semi-annual installments of \$47,394 beginning on May 1, 2020 through May 1, 2038, including interest at 2.00%. The loan matures as follows:

	Principal	Interest	Total
2021	\$ 67,247	\$ 27,541	\$ 94,788
2022	68,598	26,190	94,788
2023	69,978	24,810	94,788
2024	71,384	23,404	94,788
2025	72,819	21,969	94,788
2026-2030	386,644	87,294	473,938
2031-2035	427,097	46,843	473,940
2036-2038	230,024	6,946	236,970
	\$ 1,393,791	\$ 264,997	\$ 1,658,788

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, 2020, the Town complied with the rate covenant.

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

Total Operating Expenses	\$584,009
Less Depreciation	(158,181)
Operations and Maintenance Expenses	\$425,828
3 Months of Operations and Maintenance	\$106,458

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

TOWN OF GRAND LAKE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020**

NOTE 7 RISK MANAGEMENT

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

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

CIRSA is a joint self-insurance pool created by intergovernmental agreement to provide property, general and automobile liability and public official's coverage to its members. A seven-member Board elected by and from its members governs CIRSA.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and those amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA has indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although it is not legally required to do so.

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

NOTE 8 COMMITMENTS AND CONTINGENCIES

Grant Programs

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

TOWN OF GRAND LAKE, COLORADO

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020**

Construction Commitments

The Town entered into several construction contracts during the fiscal year, which include the Phase III Streetscape improvements. At December 31, 2020, the Town had uncompleted construction contracts in the capital projects fund. The remaining commitment on these construction contracts was \$1,409,837. The contracts will be financed by a combination of operating and grant funds.

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 International City/County Management Association Retirement Corporation (ICMA-RC). Full time employees are eligible to participate in the plan. The Town will contribute 4% of the employee's salary if the employee contributes at least 1%. For every percentage increase thereafter up to 8%, the Town will match each employee dollar for dollar as long as the employee contributes an equal or greater amount. The Town contributed \$45,329 in matching contributions and participating employees contributed \$44,256 for the year ending December 31, 2020.

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, 2020

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.

NOTE 11 SUBSEQUENT EVENT

On March 10, 2021, the Town purchased land for \$1,200,000.

Concurrently, the Town entered into a lease purchase agreement with NBH Bank in the amount of \$1,570,000, with interest at 2.85%. The proceeds of the lease were used to pay for the balance of the amount owed on the land purchase, payoff the Thomasson Park lease described in Note 6 and pay the costs of issuing the lease.

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, 2020
(With Comparative Totals for December 31, 2019)**

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2019 Actual
Revenues				
Taxes				
General Sales Tax	\$ 445,635	\$ 554,671	\$ 109,036	460,379
Intergovernmental				
Grants	553,670	78,855	(474,815)	68,122
Net Investment Income	18,000	6,650	(11,350)	20,844
Total Revenues	1,017,305	640,176	(377,129)	549,345
Expenditures				
Capital Outlay	1,657,631	213,595	1,444,036	183,650
Debt service				
Bond Principal	110,000	110,000	-	105,000
Bond Interest	167,250	167,250	-	170,400
Bank Fees	1,000	-	1,000	250
Subtotal Debt Service	278,250	277,250	1,000	275,650
Total Expenditures	1,935,881	490,845	1,445,036	459,300
Net Change in Fund Balance	(918,576)	149,331	1,067,907	90,045
Fund Balance - Beginning	1,199,076	1,238,534	39,458	1,148,489
Fund Balance - Ending	\$ 280,500	\$ 1,387,865	\$ 1,107,365	\$ 1,238,534

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, 2020

(With Comparative Totals for December 31, 2019)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2019 Actual
Revenues					
Water Sales	\$ 611,941	\$ 611,941	\$ 609,889	\$ (2,052)	\$ 612,980
Tap Fees	13,000	32,500	97,500	65,000	84,500
Resale Meters	2,000	2,000	-	(2,000)	3,085
Bulk Water Permits	500	500	525	25	1,110
Miscellaneous	-	-	2,152	2,152	249
Interest Income	10,000	10,000	11,446	1,446	24,312
Loan Proceeds	-	-	-	-	248,643
Total Revenues	<u>637,441</u>	<u>656,941</u>	<u>721,512</u>	<u>64,571</u>	<u>974,879</u>
Expenditures					
Personnel	339,089	371,875	316,381	55,494	313,956
Office Supplies	12,200	12,200	7,100	5,100	2,364
Operations Supplies	20,600	20,600	17,751	2,849	19,874
Repairs and Maintenance	45,750	45,750	11,107	34,643	20,378
Resale Supplies	10,250	10,250	-	10,250	4,362
Purchased Services	23,720	23,720	13,158	10,562	30,370
Utilities	39,000	39,385	37,219	2,166	36,012
Professional Services	11,420	11,420	9,660	1,760	5,080
Other Expenses	16,150	16,150	13,452	2,698	11,272
Capital Outlay	-	26,000	25,857	143	19,383
Storage Tank Demolition	-	-	-	-	171,435
Debt Service-Principal	68,958	68,958	65,607	3,351	67,600
Debt Service-Interest	30,196	30,196	29,171	1,025	31,554
Total Expenditures	<u>617,333</u>	<u>676,504</u>	<u>546,463</u>	<u>130,041</u>	<u>733,640</u>
Excess Revenues Over (Under)					
Expenditures	20,108	(19,563)	175,049	194,612	241,239
Funds Available - Beginning	<u>1,490,692</u>	<u>1,546,246</u>	<u>1,546,246</u>	-	<u>1,305,007</u>
Funds Available - Ending	<u>\$ 1,510,800</u>	<u>\$ 1,526,683</u>	<u>\$ 1,721,295</u>	<u>\$ 194,612</u>	<u>\$ 1,546,246</u>
Funds Available is Computed as Follows:					
Current Assets			\$ 1,773,138		\$ 1,596,994
Liabilities			(119,090)		(116,355)
Add Current Portion of Long-Term Debt			<u>67,247</u>		<u>65,607</u>
			<u>\$ 1,721,295</u>		<u>\$ 1,546,246</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, 2020

(With Comparative Totals for December 31, 2019)

	Original & Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2019 Actual
Revenues				
Marina Rentals	\$ 250,000	\$ 459,989	\$ 209,989	\$ 280,205
Tours	65,000	46,291	(18,709)	67,185
Rentals	8,400	4,537	(3,863)	7,800
Miscellaneous	3,500	2,647	(853)	2,350
Interest Income	7,000	3,276	(3,724)	11,342
Sale of Assets	20,000	9,551	(10,449)	-
Total Revenues	<u>353,900</u>	<u>526,291</u>	<u>172,391</u>	<u>368,882</u>
Expenditures				
Personnel	167,617	137,907	29,710	151,915
Office Supplies	3,500	3,713	(213)	1,617
Operations Supplies	13,500	8,028	5,472	9,904
Repairs and Maintenance	20,000	21,866	(1,866)	17,051
Permits and Fees	26,965	904	26,061	833
Purchased Services	13,600	22,151	(8,551)	13,560
Utilities	4,250	3,274	976	4,318
Professional Services	2,260	4,811	(2,551)	1,815
Other Expenses	7,701	8,364	(663)	4,726
Capital Outlay	40,000	29,103	10,897	154,118
Transfers Out	100,000	-	100,000	24,420
Total Expenditures	<u>399,393</u>	<u>240,121</u>	<u>159,272</u>	<u>384,277</u>
Excess Revenues Over (Under)				
Expenditures	(45,493)	286,170	331,663	(15,395)
Funds Available - Beginning	<u>564,088</u>	<u>566,686</u>	<u>2,598</u>	<u>582,081</u>
Funds Available - Ending	<u>\$ 518,595</u>	<u>\$ 852,856</u>	<u>\$ 334,261</u>	<u>\$ 566,686</u>
Funds Available is Computed as Follows:				
Current Assets		\$ 854,669		\$ 567,925
Liabilities		<u>(1,813)</u>		<u>(1,239)</u>
		<u>\$ 852,856</u>		<u>\$ 566,686</u>

See the Independent Auditor's Report

TOWN OF GRAND LAKE, COLORADO

PAY AS YOU THROW FUND

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

For the Year Ended December 31, 2020

(With Comparative Totals for December 31, 2019)

	Original & Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)	2019 Actual
Revenues				
Bag Sales	\$ 47,000	\$ 60,371	\$ 13,371	\$ 51,323
Interest Income	200	251	51	309
Total Revenues	<u>47,200</u>	<u>60,622</u>	<u>13,422</u>	<u>51,632</u>
Expenditures				
Operations Supplies	4,000	4,785	(785)	4,518
Repairs and Maintenance	2,000	355	1,645	13,017
Purchased Services	31,950	19,415	12,535	19,100
Professional Services	378	390	(12)	157
Other Expenses	501	299	202	281
Total Expenditures	<u>38,829</u>	<u>25,244</u>	<u>13,585</u>	<u>37,073</u>
Excess Revenues Over Expenditures	8,371	35,378	27,007	14,559
Funds Available - Beginning	<u>85,107</u>	<u>88,609</u>	<u>3,502</u>	<u>74,050</u>
Funds Available - Ending	<u>\$ 93,478</u>	<u>\$ 123,987</u>	<u>\$ 30,509</u>	<u>\$ 88,609</u>
Funds Available is Computed as Follows:				
Current Assets		\$ 124,387		\$ 88,772
Liabilities		<u>(400)</u>		<u>(163)</u>
		<u>\$ 123,987</u>		<u>\$ 88,609</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: Town of Grand Lake
	YEAR ENDING : December 31, 2020

This Information From The Records Of Town of Grand Lake:	Prepared By: John Crone Phone: 970-627-3435
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I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

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

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. 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)	366,485
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	274,899
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	28,761
2. General fund appropriations	661,545	b. Snow and ice removal	210,654
3. Other local imposts (from page 2)	588,173	c. Other	18,616
4. Miscellaneous local receipts (from page 2)	7,165	d. Total (a. through c.)	258,031
5. Transfers from toll facilities	0	4. General administration & miscellaneous	29,917
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	16,681
a. Bonds - Original Issues	0	6. Total (1 through 5)	946,013
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	167,250
7. Total (1 through 6)	1,256,883	b. Redemption	110,000
B. Private Contributions	0	c. Total (a. + b.)	277,250
C. Receipts from State government (from page 2)	115,711	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	1,372,594	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	277,250
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	1,223,263

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	4,015,000	0	105,000	3,910,000
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)	0	0	0	0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,238,534	1,372,594	1,223,263	1,387,865	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE:	Colorado
		YEAR ENDING (mm/yy):	12/31/2020
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	6,650
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	554,671	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	655	f. Charges for Services	515
5. Specific Ownership &/or Other	32,847	g. Other Misc. Receipts	0
6. Total (1. through 5.)	588,173	h. Other	0
c. Total (a. + b.)	588,173	i. Total (a. through h.)	7,165
	(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	29,796	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	2,221	d. Federal Transit Admin	0
d. Other (Specify) - Cigarette Select	4,839	e. U.S. Corps of Engineers	0
e. Other (Specify) - DOLA Grant	78,855	f. Other Federal	0
f. Total (a. through e.)	85,915	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	115,711	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	38,017	38,017
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	328,468	328,468
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	328,468	328,468
d. Total Capital Outlay (Lines I.a. + I.b. + I.c.5)	0	366,485	366,485
			(Carry forward to page 1)
Notes and Comments:			

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