

Town of Marble, Colorado

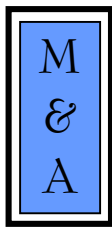
Financial Statements

December 31, 2020

**Town of Marble, Colorado
Financial Statements
December 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees Town of Marble, Colorado

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

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.

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 Marble as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Board of Trustees
Town of Marble, Colorado

Other Matters

The Town has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements. Our opinions on the basic financial statements are not affected by the missing information.

The budgetary comparison information in section D is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison 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 statement 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The budgetary comparison information found in Section E and listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The budgetary comparison information found in Section F 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 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.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
June 29, 2021

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Town of Marble, Colorado
Statement of Net Position
December 31, 2020

	Governmental	Business-type	
	Activities	Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	163,413	49,614	213,027
Investments	149,952	-	149,952
Accounts receivable	3,936	-	3,936
Due (to)/from other fund	2,656	(2,656)	-
Property tax receivable	26,354	-	26,354
Total - Current assets	<u>346,311</u>	<u>46,958</u>	<u>393,269</u>
Non-current assets:			
Non-depreciable capital assets	382,120	-	382,120
Total - Non-current assets	<u>382,120</u>	<u>-</u>	<u>382,120</u>
 Total Assets	 <u>728,431</u>	 <u>46,958</u>	 <u>775,389</u>
Liabilities:			
Current liabilities:			
Accounts payable	22,851	-	22,851
Payroll tax payable	293	-	293
Sales tax payable	1,413		1,413
Accrued interest payable	-	6,130	6,130
Refundable deposits	3,199	-	3,199
Loan payable - current portion	-	9,492	9,492
Total - Current liabilities	<u>27,756</u>	<u>15,622</u>	<u>43,378</u>
Non-current liabilities:			
Loan payable - non-current portion	-	253,219	253,219
Total - Non-current liabilities	<u>-</u>	<u>253,219</u>	<u>253,219</u>
 Total Liabilities	 <u>27,756</u>	 <u>268,841</u>	 <u>296,597</u>
Deferred Inflow of Resources:			
Unavailable property tax revenue	26,354	-	26,354
 Total Deferred Inflow of Resources	 <u>26,354</u>	 <u>-</u>	 <u>26,354</u>
Net Position:			
Net investment in capital assets	382,120	-	382,120
Restricted for emergencies	15,278	-	15,278
Restricted for park and recreation	18,027	-	18,027
Unrestricted	258,896	(221,883)	37,013
 Total Net Position	 <u>674,321</u>	 <u>(221,883)</u>	 <u>452,438</u>

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

Town of Marble, Colorado
Statement of Activities
For the Year Ended December 31, 2020

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs	Expenses						
Governmental Activities:							
General government	139,933	41,084	-	385,293	286,444		286,444
Public works	75,878	-	-	1,850	(74,028)		(74,028)
Total Governmental Activities	<u>215,811</u>	<u>41,084</u>	<u>-</u>	<u>387,143</u>	<u>212,416</u>		<u>212,416</u>
Business-type Activities:							
Water	10,661	26,314	-	-		15,653	15,653
Total Business-type Activities	<u>10,661</u>	<u>26,314</u>	<u>-</u>	<u>-</u>		<u>15,653</u>	<u>15,653</u>
Total	<u>226,472</u>	<u>67,398</u>	<u>-</u>	<u>387,143</u>	<u>212,416</u>	<u>15,653</u>	<u>228,069</u>
General revenues:							
					27,451	-	27,451
					78,485	-	78,485
					263	-	263
					4,544	-	4,544
					9,963	-	9,963
					2,176	-	2,176
					931	1	932
					<u>123,813</u>	<u>1</u>	<u>123,814</u>
					336,229	15,654	351,883
					<u>338,092</u>	<u>(237,537)</u>	<u>100,555</u>
					<u>674,321</u>	<u>(221,883)</u>	<u>452,438</u>

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

FUND FINANCIAL STATEMENTS

Town of Marble, Colorado
Balance Sheet
Governmental Funds
December 31, 2020

	<u>General</u>	<u>Conservation Trust</u>	<u>Total Governmental Funds</u>
Assets:			
Current assets:			
Equity in pooled cash	145,386	18,027	163,413
Investments	149,952	-	149,952
Accounts receivable	3,936	-	3,936
Due (to)/from other fund	2,656	-	2,656
Property tax receivable	26,354	-	26,354
Total - Current assets	<u>328,284</u>	<u>18,027</u>	<u>346,311</u>
Total Assets	<u>328,284</u>	<u>18,027</u>	<u>346,311</u>
Liabilities:			
Accounts payable	22,851	-	22,851
Payroll tax payable	293	-	293
Sales tax payable	1,413	-	1,413
Refundable deposits	3,199	-	3,199
Total Liabilities	<u>27,756</u>	<u>-</u>	<u>27,756</u>
Deferred Inflow of Resources:			
Unavailable property tax revenue	26,354	-	26,354
Total Deferred Inflow of Resources	<u>26,354</u>	<u>-</u>	<u>26,354</u>
Fund Balances:			
Restricted for emergencies	15,278	-	15,278
Restricted for park and recreation	-	18,027	18,027
Unassigned	258,896	-	258,896
Total Fund Balances	<u>274,174</u>	<u>18,027</u>	<u>292,201</u>
Total Deferred Inflow of Resources Liabilities, and Fund Balances	<u><u>328,284</u></u>	<u><u>18,027</u></u>	

**Amounts reported for governmental activities in the Statement
of Net Assets are different because:**

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	<u>382,120</u>
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Net Position of Governmental Activities	<u><u>674,321</u></u>
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The accompanying notes are an integral part of these financial statements.

Town of Marble, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	<u>General</u>	<u>Conservation Trust</u>	<u>Total Governmental Funds</u>
Revenues:			
Property tax	27,451	-	27,451
Intergovernmental:			
Sales tax	78,485	-	78,485
Highway users tax	9,963	-	9,963
Lottery revenue	-	1,850	1,850
Cigarette tax	263	-	263
Severance tax	4,544	-	4,544
Mineral lease revenue	2,176	-	2,176
Licenses and permits	5,327	-	5,327
Contributions and donations	42,790	-	42,790
Colorado Stone Quarry land lease	32,151	-	32,151
GOCO grant	342,503	-	342,503
Interest income	931	-	931
Other revenue	3,606	-	3,606
	<u>550,190</u>	<u>1,850</u>	<u>552,040</u>
Total Revenues			
	<u>550,190</u>	<u>1,850</u>	<u>552,040</u>
Expenditures:			
General government	522,053	-	522,053
Public works	72,120	3,758	75,878
	<u>594,173</u>	<u>3,758</u>	<u>597,931</u>
Total Expenditures			
	<u>594,173</u>	<u>3,758</u>	<u>597,931</u>
Excess of Revenues Over Expenditures	(43,983)	(1,908)	(45,891)
Fund Balances - Beginning	<u>318,157</u>	<u>19,935</u>	<u>338,092</u>
Fund Balances - Ending	<u><u>274,174</u></u>	<u><u>18,027</u></u>	<u><u>292,201</u></u>

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

Town of Marble, Colorado
Statement of Net Position
Proprietary Fund - Water Fund
December 31, 2020

Assets:

Current assets:

Equity in pooled cash	49,614
Due (to)/from general fund	<u>(2,656)</u>
Total - Current assets	<u>46,958</u>

Total Assets	<u>46,958</u>
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Liabilities:

Current liabilities:

Accrued interest payable	6,130
Loan payable - current portion	<u>9,492</u>
Total - Current liabilities	<u>15,622</u>

Non-current liabilities:

Loan payable - non-current portion	<u>253,219</u>
Total - Non-current liabilities	<u>253,219</u>

Total Liabilities	<u>268,841</u>
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Net Position:

Unrestricted	<u>(221,883)</u>
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Total Net Position	<u><u>(221,883)</u></u>
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The accompanying notes are an integral part of these financial statements.

Town of Marble, Colorado
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund - Water Fund
For the Year Ended December 31, 2020

Operating Revenues:	
Water fees	26,314
Total Operating Revenues	<u>26,314</u>
Operating Expenses:	
Administration	-
Total Operating Expenses	<u>-</u>
Operating Income	26,314
Non-operating Revenues (Expenses):	
Interest income	1
Interest expense	(10,661)
Total Non-operating Revenues (Expenses)	<u>(10,660)</u>
Net income	15,654
Net Position - Beginning	<u>(237,537)</u>
Net Position - Ending	<u><u>(221,883)</u></u>

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

Town of Marble, Colorado
Statement of Cash Flows
Proprietary Fund - Water Fund
For the Year Ended December 31, 2020

Cash Flows From Operating Activities:	
Cash received from customers and others	26,314
Net Cash Provided by Operating Activities	26,314
Cash Flows From Capital and Related Financing Activities:	
Principal paid	(9,126)
Interest paid	(10,873)
Interest income	1
Net Cash Provided (Used) by Capital and Related Financing Activities	(19,998)
Net Increase (Decrease) in Cash and Cash Equivalents	6,316
Cash and Cash Equivalents - Beginning of Year	43,298
Cash and Cash Equivalents - End of Year	49,614
Reconciliation of Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:	
Income (loss) from operations	26,314
Adjustments to reconcile:	
(Decrease) increase in due to/from other funds	-
Net Cash Provided by Operating Activities	26,314

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

NOTES TO THE FINANCIAL STATEMENTS

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2020

I. Summary of Significant Accounting Policies

The Town of Marble, Colorado (the "Town") was incorporated in 1899 as a statutory town under the laws of the State of Colorado. An elected Mayor and Town Board of Trustees are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The Town's major operations include maintenance of streets and park areas and the funding of a water tank for fire protection.

The Town's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the Town are discussed below.

A. Reporting Entity

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

The Marble Water Board (the "Board") was established on March 5, 2002 to help the Marble Water Company, a Colorado nonprofit corporation, finance a water tank that would provide fire protection to the town. The Board is appointed by and consists of the Board of Trustees of the Town. The Board is presented as a blended component unit of the Town.

B. Government-wide Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's public works and administration are classified as governmental activities. The Town's water tank funding is classified as a business-type activity.

The government-wide statement of activities reports both the gross and net cost of each of the Town's functions and business-type activities. The functions are also supported by general government revenues (property and sales taxes and other revenue). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (administration or parks) or a business-type activity.

The government-wide focus is on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

C. Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The Town reports the following governmental funds:

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

The *Conservation Trust Fund* accounts for funds received from the state lottery program to fund recreational capital projects.

The Town reports the following proprietary funds:

The *Water Fund* accounts for revenues and expenses associated with providing water for fire protection to the Town's residents.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for the 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.

E. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less. Investments are stated at fair value, net asset value, or amortized cost. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts. No allowance is recorded at December 31, 2020, as all accounts are considered to be collectible.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental unit until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and deferred inflow of resources.

4. Capital Assets

Capital Assets are reported in the applicable governmental activity columns in the government-wide financial statements. The Town defines capital assets as assets with an initial cost of \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

4. Capital Assets (continued)

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital assets, which consist of three buildings, are depreciated using the straight-line method over 50 years.

5. Long-term Debt

Long-term obligations are reported as liabilities in the applicable business-type activities or proprietary fund type statement of net position.

6. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town doesn't have any items that qualify for reporting in this category at December 31, 2020.

In addition to liabilities, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item that qualifies for reporting in this category. Accordingly, the item, unearned revenue, is deferred and recognized as an inflow of resources in the period that the amounts become available and earned.

7. Fund Balances

The Town has classified governmental fund balances as follows:

Non-spendable – includes fund balance amounts inherently non-spendable since they represent inventories, prepaid items, etc.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, which is the Town Board of Trustees. Fiscal year spending excludes bonded debt service and enterprise spending.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

7. Fund Balances (continued)

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Town Board of Trustees or its management designees. The Capital Acquisition Fund's entire balance was restricted for future capital projects and equipment acquisition.

Unassigned – includes residual positive fund balance within the General Fund, which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Town uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit this, such as grant agreements that require dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly unassigned amounts when expenditures are made.

The Town does not have a formal minimum fund balance policy. However, the Town's budget includes a calculation of a targeted reserve positions and management calculates targets and report them annually to the Town Board of Trustees.

8. Net Position

In the government wide financial statements, net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Town's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

The Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2020.

1. Budgets are required by state law for all governmental and proprietary funds.
2. During September the proposed budget is submitted to the Town Board for the fiscal year commencing the following January 1.
3. Prior to December 31, the budget is adopted and appropriations are authorized by ordinance at the fund level for all funds.
4. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and in total by each fund. The total fund level constitutes the legal level of control. Expenditures may not exceed appropriations at this level. Budget revisions at this level are subject to approval by ordinance from the Town Board. Within the funds level control basis, management may transfer appropriations without Town Board approval. Revisions to the budget were made throughout the year.
5. Budget amounts included in the budgetary comparison schedules are based on the final legally amended budget.
6. Appropriations lapse at the end of each year, and the Town Board may adopt supplemental appropriations during the year. The Town Board may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available to the Town or the revenue estimates must be changed by the Town Board when adopting supplemental appropriations.

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

II. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$15,278, which is the approximate required reserve at December 31, 2020.

On November 7, 1995, the Town's voters approved the following ballot question: "Shall the Town of Marble, Colorado, be authorized to collect, retain and expend in fiscal year 1995 and in each subsequent year the full amount of revenues generated by all the Town's revenue sources, including without limitation state grants, sales taxes, license fees, and development fees, without any increase in the property tax mill levy; the sales tax rates, or the rates of any other taxes currently imposed by the Town, and notwithstanding any state limitations of revenues or expenditures, including the limitations of Article X, Section 20, of the Colorado Constitution?"

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

III. Detailed Notes on All Funds

A. Deposits and Investments

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

Interest Rate Risk. The Town limits its investments to savings accounts and investment pools (explained below) where each share is equal to one dollar and the Town avoids interest rate risk.

Credit Risk. Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest including obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptance of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Colorado statutes specify which instruments units of local government may invest and include:

- Obligations of the U.S. and certain U.S. government agencies securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

At December 31, 2020, the Town had cash and savings deposits of \$213,027, and the following investments with recurring fair value measurements:

<u>Investments Measured at Amortized Cost</u>	<u>Total</u>
C-Safe	149,952
Total	<u><u>149,952</u></u>

B. Receivables

Receivables as of year-end for the Town's funds consist of property taxes receivable in the amount of \$26,354, \$3,936 of accounts receivable and \$2,656 due from the water fund.

Governmental funds report *deferred inflow of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The \$26,354 of deferred inflow of resources is property taxes levied in 2020 but not available until 2021.

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	-	382,120	-	382,120
Total Capital Assets, Not Being Depreciated	-	382,120	-	382,120
Capital Assets, Being Depreciated				
Buildings	75,000	-	-	75,000
Total Capital Assets, Being Depreciated	75,000	-	-	75,000
Less Accumulated Depreciation For:				
Buildings	(75,000)	-	-	(75,000)
Total Accumulated Depreciation	(75,000)	-	-	(75,000)
Total Capital Assets, Being Depreciated, Net	-	-	-	-
Governmental Activities Capital Assets, Net	-	382,120	-	382,120

D. Long-term Liabilities

On March 20, 2002, the Town entered into an agreement with The Marble Water Company, a Colorado nonprofit corporation (the "Company") whereby the Company agreed to construct a water tank using a grant and a low interest loan, both the grant and loan from the United States Department of Agriculture/Rural Utilities Service, in exchange for the Town paying the Company \$20,000 annually, until the Company repays the loan in full, to permanently use the water tank for fire protection.

The Town further agreed to assess water fees against each parcel within the Town to generate the \$20,000 annually to be paid to the Company.

Principal and interest payment requirements on the Town's notes payable from business-type activities are as follows:

	Business-type Activities		
	Principal	Interest	Total
2021	9,492	10,508	20,000
2022	9,871	10,129	20,000
2023	10,266	9,734	20,000
2024	10,677	9,323	20,000
2025	11,104	8,896	20,000
2026-2030	62,548	37,452	100,000
2031-2035	76,099	23,901	100,000
2036-2039	72,654	7,412	80,066
	<u>262,711</u>	<u>117,355</u>	<u>380,066</u>

Town of Marble, Colorado
Notes to the Financial Statements
December 31, 2020
(Continued)

III. Detailed Notes on All Funds (continued)

D. Long-term Liabilities

Long-term liability activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type Activities					
The Marble Water					
Company Obligation	271,837	-	(9,126)	262,711	9,492
Total Long-term Liabilities	<u>271,837</u>	<u>-</u>	<u>(9,126)</u>	<u>262,711</u>	<u>9,492</u>

At December 31, 2020, the Town owed \$6,130 in accrued interest payable.

IV. Other Information

A. Risk Management

The Town is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The Town is participant in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA operates as a common risk management and insurance program. As of December 31, 2020 there were more than 200 member municipalities including the Town, each having one vote. The Town pays an annual premium to CIRSA for its general insurance coverage and workers' compensation insurance coverage. The agreement for formation of CIRSA provides that CIRSA will be financed by member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. Due to CIRSA being a risk sharing pool, an unanticipated loss by one or more of the members of the pool could result in an unanticipated assessment against the Town and the loss of coverage.

B. Colorado Stone Quarries Land Lease

On November 1, 2012, the Town entered into a land lease with Colorado Stone Quarries, Inc. ("Colorado Stone") whereby the Town will lease certain land described in Exhibit A of the agreement to Colorado Stone for \$2,000 per month, which shall increase annually by the Denver Aurora Lakewood Consumer Price Index for All Urban Consumers (CPI-U). The lease shall be automatically renewed for successive three year terms until November 30, 2027, unless the Town or Colorado Stone provides written notice of termination. For the year ending December 31, 2020, the Town earned \$32,151.

C. Snow Removal Agreements

In November, 2014, the Town entered into an agreement with Daly Property Service (the "Contractor") for snow removal services at an hourly rate of \$145. For the year ended December 31, 2020, the Town paid the Contractor \$25,895 for snow removal services.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Marble, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:				
Property tax	26,973	26,973	27,451	478
Intergovernmental:				
Sales tax	55,000	55,000	78,485	23,485
Highway users tax	12,000	12,000	9,963	(2,037)
Cigarette tax	100	100	263	163
Severance tax	2,500	2,500	4,544	2,044
Mineral lease revenue	2,500	2,500	2,176	(324)
Licenses and permits	4,000	4,000	5,327	1,327
Contributions and donations	2,000	44,500	42,790	(1,710)
Colorado Stone Quarry land lease	32,300	32,300	32,151	(149)
GOCO grant	-	333,000	342,503	9,503
Campground rental	55,000	55,000	-	(55,000)
Interest income	3,500	3,500	931	(2,569)
Other revenue	7,590	7,590	3,606	(3,984)
Total Revenues	203,463	578,963	550,190	(28,773)
Expenditures:				
Salaries and payroll expenses	56,409	52,526	52,609	(83)
Professional services	2,500	3,125	4,625	(1,500)
Office expense	7,000	7,000	14,414	(7,414)
Workshop/travel	1,000	-	-	-
Accounting and auditing	7,500	7,350	7,350	-
Legal expense - general	26,500	32,000	32,958	(958)
Legal publications	1,000	1,000	339	661
Elections	2,000	2,000	2,500	(500)
Street maintenance	55,500	54,000	54,154	(154)
Playground and park improvements	1,000	2,980	4,907	(1,927)
Civic engagement fund	1,500	2,000	2,000	-
Workers' compensation insurance	5,000	6,000	5,031	969
Utilities	4,000	4,000	3,308	692
Rent	600	600	600	-
Dues and fees	500	500	509	(9)
Marble Fest	2,000	-	-	-
Engineering	13,000	5,092	5,242	(150)
Campground	22,000	11,000	11,059	(59)
Capital outlay	-	418,336	382,120	36,216
Other expenses	13,300	12,800	10,448	2,352
Total Expenditures	222,309	622,309	594,173	28,136
Excess (Deficiency) of Revenues Over Expenditures	(18,846)	(43,346)	(43,983)	(637)
Other Financing Sources (Uses):				
Transfers in	1,000	1,000	-	(1,000)
Total Other Financing Sources (Uses)	1,000	1,000	-	(1,000)
Net Change in Fund Balance	(17,846)	(42,346)	(43,983)	(1,637)
Fund Balance - Beginning	313,046	318,157	318,157	-
Fund Balance - Ending	295,200	275,811	274,174	(1,637)

Town of Marble, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Conservation Trust Fund
For the Year Ended December 31, 2020

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
Revenues:			
State lottery revenue	1,500	1,850	350
Total Revenues	<u>1,500</u>	<u>1,850</u>	<u>350</u>
Expenditures:			
Park improvements	10,000	1,175	8,825
Park maintenance	1,500	2,583	(1,083)
Total Expenditures	<u>11,500</u>	<u>3,758</u>	<u>7,742</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,000)	(1,908)	8,092
Fund Balance - Beginning	<u>19,573</u>	<u>19,935</u>	<u>362</u>
Fund Balance - Ending	<u><u>9,573</u></u>	<u><u>18,027</u></u>	<u><u>8,454</u></u>

SUPPLEMENTARY INFORMATION

Town of Marble, Colorado
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
With Reconciliation to GAAP Basis
Proprietary Fund Type - Water Fund
For the Year Ended December 31, 2020

	Original and Final Budget	Actual	Final Budget Variance Positive (Negative)
Revenues:			
Water fees	20,000	26,314	6,314
Interest	-	1	1
Total Revenues	<u>20,000</u>	<u>26,315</u>	<u>6,315</u>
Expenses:			
Administration	1,000	-	1,000
Debt service	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total Expenses	<u>21,000</u>	<u>20,000</u>	<u>1,000</u>
Change in Net Position - Budget Basis	<u>(1,000)</u>	6,315	<u>7,315</u>
Reconciliation to GAAP Basis:			
Change in accrued interest		213	
Principal		<u>9,126</u>	
Change in Net Position - GAAP Basis		15,654	
Net Position - Beginning		<u>(237,537)</u>	
Net Position - Ending		<u>(221,883)</u>	