

**Town of Fraser
Fraser, Colorado**

**Financial Statements
December 31, 2021**



**Town of Fraser, Colorado
Financial Report
December 31, 2021**

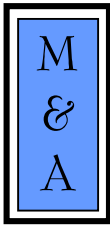
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INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor and Town Board
Town of Fraser**

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Fraser (the "Town"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2021, 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 ("U.S. GAAP").

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued.

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INDEPENDENT AUDITOR'S REPORT
To the Honorable Mayor and Town Board
Town of Fraser

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with U.S. GAAS, we:

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

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

Required Supplementary Information

U.S. GAAP require the Management's Discussion and Analysis in section B, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, 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.

INDEPENDENT AUDITOR'S REPORT
To the Honorable Mayor and Town Board
Town of Fraser

Required Supplementary Information (continued)

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining non-major fund financial statements, individual fund budgetary comparison information in section F, and the *Local Highway Finance Report* in section G, is/are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining non-major fund financial statements, individual fund budgetary comparison information, and the Annual Schedule of Revenues and Expenditures for Roads, Bridges and Streets are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
July 10, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS



Town of Fraser, Colorado

Management's Discussion and Analysis

December 31, 2021

As management of the Town of Fraser, Colorado, ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2021.

The Town provides a high level of local government service and availability to the community including operation of the Town's water and wastewater systems, a public works department that provides for street maintenance, snow removal and management, park and open space preservation, public building and facility management and maintenance. Our planning department provides support for both our business/economic sectors in addition to community development support, all while maintaining our small town character in the bigger mountain resort community that we are a part of. The Town currently acts as the manager of the Upper Fraser Valley Wastewater Treatment Facility – providing both the operational expertise and financial management of the facility for the three member organizations who share the plant. In addition, the Town participates in a joint Fraser/Winter Park Police Department and a joint Winter Park/Fraser/Granby Building Services Department.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all Town assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two 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.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected revenues such as grants or earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Town include general government, public safety, public works, and culture and recreation. The business-type activities of the Town include water production, water distribution system operation and maintenance, and the operation and maintenance of the Town's wastewater collection system.

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental and proprietary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The fund financial statements for the governmental funds are shown on pages C3 and C5.

The Town's Budget includes the following governmental funds:

- General Fund (GF), which provides for the general functions and services such as administration, planning, law enforcement, streets and properties.
- Capital Asset Fund (CAF), which is intended to fund long term maintenance of capital assets (streets, buildings, parks, trails, etc.). The CAF is consolidated with the GF in the financial statements.
- Restricted Revenue Fund (RRF), which is funded by a dedicated sales tax to be used for transportation, trails, and capital project expenditures.
- Debt Service Fund (DSF), which provides for bonded debt service payments.
- Conservation Trust Fund (CTF), which is funded by lottery proceeds and provides for open space and recreational related capital projects.
- Capital Equipment Replacement Fund (CERF), which provides for vehicle and heavy equipment purchases.

The Town adopts an annually appropriated budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund, Restricted Revenue Fund, Conservation Trust Fund, Debt Service Fund and Capital Equipment Replacement Fund to demonstrate compliance with the State budget statutes. These are included in Sections E and F.

Proprietary funds: The Town maintains two proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water operations and one to account for its wastewater operations, which was established on December 31, 2009 by the dissolution of the Fraser Sanitation District.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the Town.

The Town's Budget includes the following enterprise funds:

- Water Fund (WF), an enterprise fund for the Town's water utility.
- Wastewater Fund (WWF), an enterprise fund for the Town's wastewater utility.

The basic proprietary fund financial statements can be found on pages C7 through C9 of this report. The Town also presents a budgetary comparison for its proprietary funds on pages F3 and F4.

Fiduciary fund: As managers of the Upper Fraser Valley Wastewater Treatment Plant ("UFVWWTP"), the Town operates the Joint Facilities Fund ("JFF") as a fiduciary fund to account for the operations and maintenance of the facility along any capital expenditures related to the plant.

- JFF Operations and Maintenance (O&M) and the JFF Capital Replacement Reserve (CRR), both of which provide for operations and capital projects at the Wastewater Treatment Plant. The JFF activity is found on pages C10, C11, and F5.

Overview of the Financial Statements (continued)

Notes to the Financial Statements: The Notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found at Section D of this report.

The largest portion of the Town's assets are reflected in the investment in capital assets (i.e. land, streets, buildings, improvements, and equipment). Capital assets account for 59% of the total assets of \$50,425,087. The Town uses these assets to provide services to its citizens. The Town has to pay liabilities out of the remaining liquid assets. The Town also has assets that are considered restricted for a variety of purposes. Accordingly, these assets are not an available source for payment of future spending, other than as restricted. The Town shows the detail of restricted net position below on page B4 and also on page D19 of the footnotes.

Government-wide Fund Analysis

Financial Highlights

- On a short term view, the Town's governmental fund balances increased by \$2,583,944 in 2021. The Town's General Fund's fund balance increased by \$2,008,856.
- On a long-term view (including depreciation and excluding capital outlay, etc.) the Town had a 6% \$2,953,642 increase in net position from \$45,861,570 to \$48,815,212.

"Net Position" for the Town refers to both the governmental and business-type (Water Fund (WF) and Wastewater Fund (WWF)) activities. The business-type activities (WF & WWF) had an increase in net position of \$776,188, while the governmental activities had an increase in net position of \$2,177,454.

The "long-term" view includes depreciation expense. The schedule the Town uses to depreciate its assets is on page D6 and the corresponding schedules for depreciation and additions to capital assets (capital outlay) is on pages D15 - D16. It's important to review the depreciation schedule and compare it to the age of the assets being depreciated. Annual depreciation expense for streets exceeds \$500,000 and there is no designated revenue source or reserves associated with this asset. Annual depreciation expense on water and wastewater assets exceeds \$800,000, with almost \$500,000 of that depreciation relating to underground utilities. Over half the Town's underground utilities have exceeded their depreciation life cycle. At December 31, 2021, the Fraser Town Board has many committed reserves in its General Fund and both of its Enterprise Funds, along with a reserve for unforeseen Joint Facility emergencies. These reserves will allow the Town to meet its short term obligations for safe, reliable and sustainable water and wastewater systems. Available resources will be freed up in the Budget to address annual street maintenance. The Town continues to allow for additional growth in utilities and streets, while the issue of the cost of maintenance reflected by service fees and GF revenues remains a community concern.

Government-wide Fund Analysis (continued)

The Town's restricted net position for 2021 is shown in the following schedule:

	Balance 1/1/21	Additions	Deletions	Balance 12/31/21
General Fund:				
Fees in lieu of Park	\$ 6,379	-	-	6,379
Affordable housing impact fee	134,426	595,000	(81,690)	647,736
Emergency reserves	200,000	75,000	-	275,000
Debt Service Fund reserves:				
Next year's payments	-	-	-	-
Conservation Trust Fund	20,608	8,118	-	28,726
Restricted Revenue Fund	537,557	459,636	-	997,193
Wastewater Fund				
Operating reserve	53,860	224	-	54,084
Capital replacement reserve	920,713	-	(336,269)	584,444
	<u>\$ 1,873,543</u>	<u>1,137,978</u>	<u>(417,959)</u>	<u>2,593,562</u>

The following shows the Town's net position for 2021:

Town of Fraser's Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Assets:						
Current and other assets	\$ 10,778,626	8,226,100	10,078,481	8,210,212	20,857,107	16,436,312
Capital assets	9,939,346	10,450,773	19,628,634	20,303,939	29,567,980	30,754,712
Total Assets	<u>20,717,972</u>	<u>18,676,873</u>	<u>29,707,115</u>	<u>28,514,151</u>	<u>50,425,087</u>	<u>47,191,024</u>
Liabilities:						
Other liabilities	452,909	582,986	621,156	204,380	1,074,065	787,366
Long-term liabilities outstanding	92,205	189,419	-	-	92,205	189,419
Total Liabilities	<u>545,114</u>	<u>772,405</u>	<u>621,156</u>	<u>204,380</u>	<u>1,166,270</u>	<u>976,785</u>
Deferred Inflows of Resources:						
Property taxes	443,605	352,669	-	-	443,605	352,669
Total Deferred Inflows of Resources	<u>443,605</u>	<u>352,669</u>	<u>-</u>	<u>-</u>	<u>443,605</u>	<u>352,669</u>
Net Position:						
Net investment in capital assets	9,847,141	10,261,354	19,628,634	20,303,939	29,475,775	30,565,293
Restricted	1,955,034	898,990	638,528	974,573	2,593,562	1,873,563
Unrestricted	7,927,078	6,391,455	8,818,797	7,031,259	16,745,875	13,422,714
Total Net Position	<u>\$ 19,729,253</u>	<u>17,551,799</u>	<u>29,085,959</u>	<u>28,309,771</u>	<u>48,815,212</u>	<u>45,861,570</u>

Government-wide Financial Analysis (continued)

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The following chart is a summary of the Town's Change in Net Position:

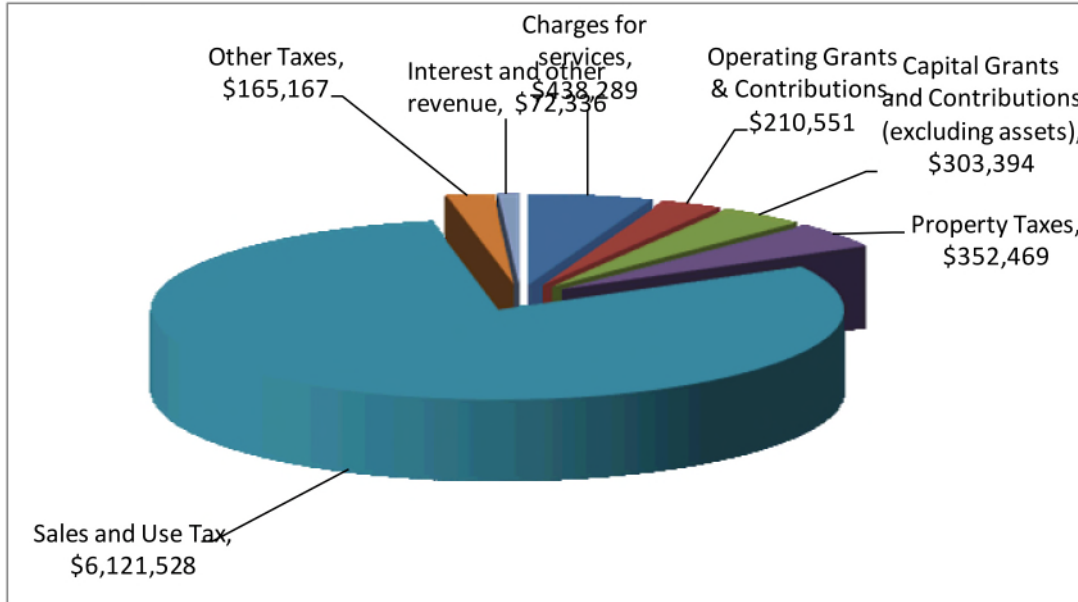
	Town of Fraser's Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES:						
Program revenues:						
Charges for services	\$ 438,289	412,640	2,142,002	2,003,370	2,580,291	2,416,010
Operating grants and contributions	210,551	128,346	1,543	-	212,094	128,346
Capital grants and contributions	303,394	769,958	1,383,240	362,389	1,686,634	1,132,347
General revenues:						
Property taxes	352,469	334,794	-	-	352,469	334,794
Sales and Use taxes	6,121,528	5,010,000	-	-	6,121,528	5,010,000
Other taxes	165,167	101,343	-	-	165,167	101,343
Interest and other revenue	72,336	124,849	10,424	66,407	82,760	191,256
Total Revenues	7,663,734	6,881,930	3,537,209	2,432,166	11,200,943	9,314,096
EXPENSES:						
General government	2,675,928	2,082,093	-	-	2,675,928	2,082,093
Culture and recreation	64,016	42,427	-	-	64,016	42,427
Public safety	669,464	669,405	-	-	669,464	669,405
Public works	2,157,495	2,233,881	-	-	2,157,495	2,233,881
Interest	9,377	14,305	-	-	9,377	14,305
Water	-	-	1,246,793	1,180,564	1,246,793	1,180,564
Wastewater	-	-	1,424,228	1,266,330	1,424,228	1,266,330
Total Expenses	5,576,280	5,042,111	2,671,021	2,446,894	8,247,301	7,489,005
Change in Net Position						
Before Transfers	2,087,454	1,839,819	866,188	(14,728)	2,953,642	1,825,091
Transfers in (out)	90,000	-	(90,000)	-	-	-
Change in Net Position	2,177,454	1,839,819	776,188	(14,728)	2,953,642	1,825,091
Net Position-Jan 1	17,551,799	15,711,980	28,309,771	28,324,499	45,861,570	44,036,479
Net Position - December 31	\$ 19,729,253	17,551,799	29,085,959	28,309,771	48,815,212	45,861,570

Governmental activities: Governmental activities increased the Town's net position by \$2,177,454 during 2021, as compared to an increase in net position of \$2,422,402 during 2020. The following are the major elements of the change in net position of governmental activities from December 31, 2020 to December 31, 2021:

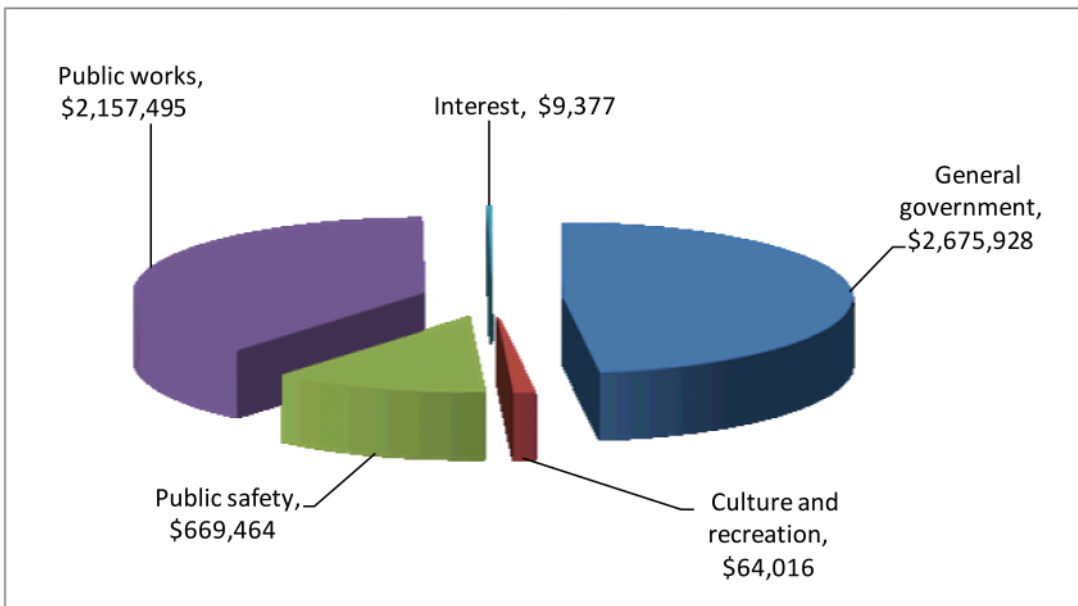
- Higher property taxes revenue compared to prior year.
- Sales and use taxes and regulated industry fees increased significantly compared to prior year.
- The Town received CDOT grants for CR 8 bridge project.

Government-wide Financial Analysis (continued)

The following is a graph of the Town's governmental activities revenues by source for 2021. The Town continues to be challenged by its dependence on the very volatile resort based sales tax revenues. Fortunately, the Town has the grocery, hardware, and department stores within its municipal boundaries. The Town will continue to help the local business community, attract and develop a more varied mixture of vendors appealing to both the community's residents and resort vacationers.



The following is a graph of the Town's governmental activities expenditures by function for 2021.

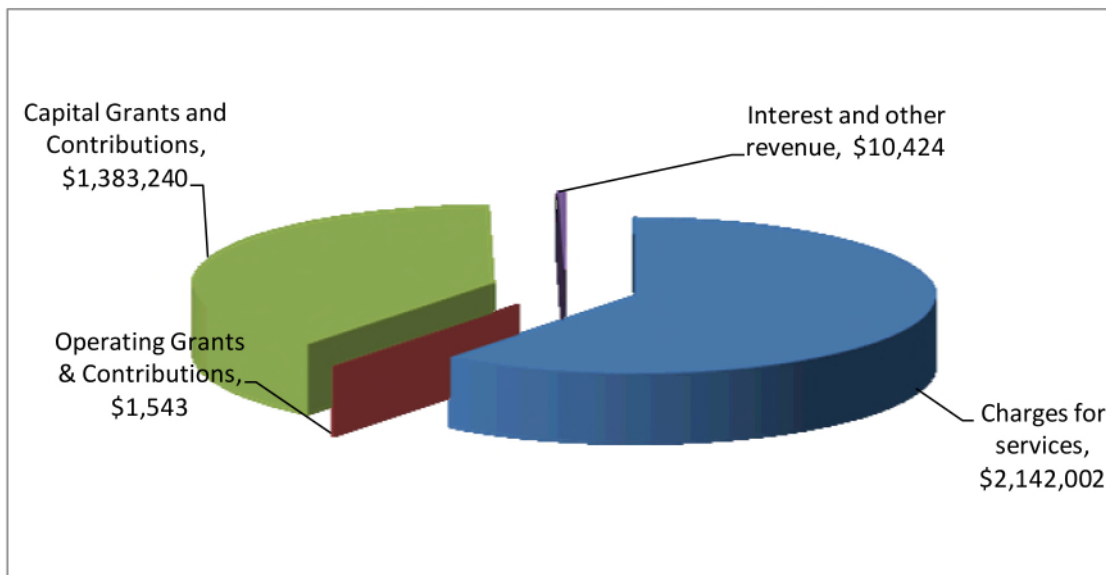


Government-wide Financial Analysis (continued)

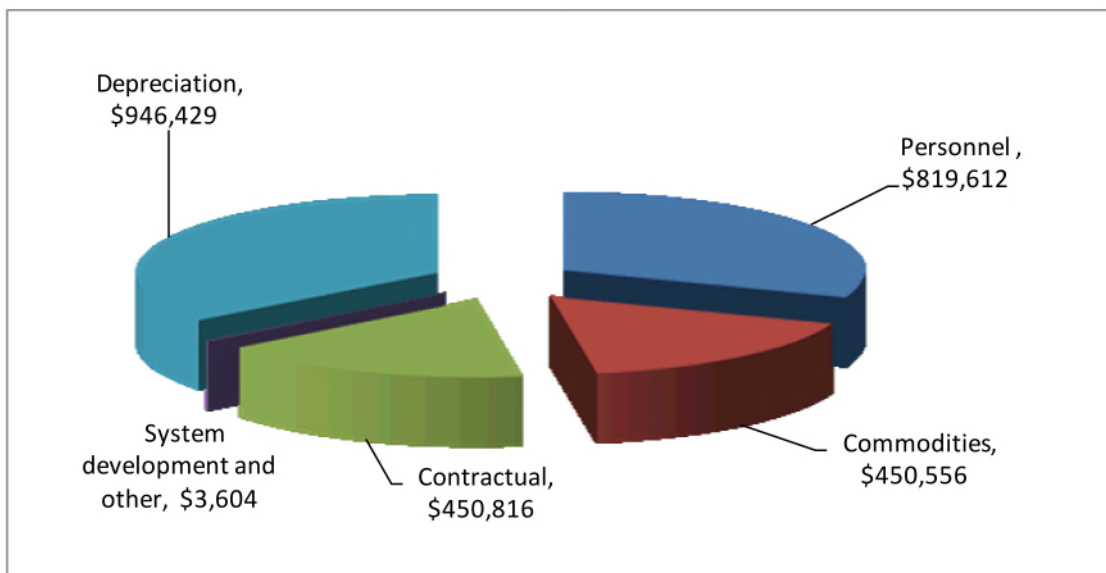
Business-type activities: Business-type activities (water and wastewater, collection and treatment) resulted in an increase in the Town's net position of \$776,188. Key elements of this change are as follows:

- Within the Water and Wastewater Funds and in the Town's portion of the JFF assets, depreciation expense on capitalized assets of \$946,429 accounted for 35% of total operating expenses.
- Charges for our customer's water and wastewater services accounted for 95% of total operating revenues.

The following is a graph of the business-type revenues by source for 2021.



The following is a graph of the business-type expenses by function for 2021.



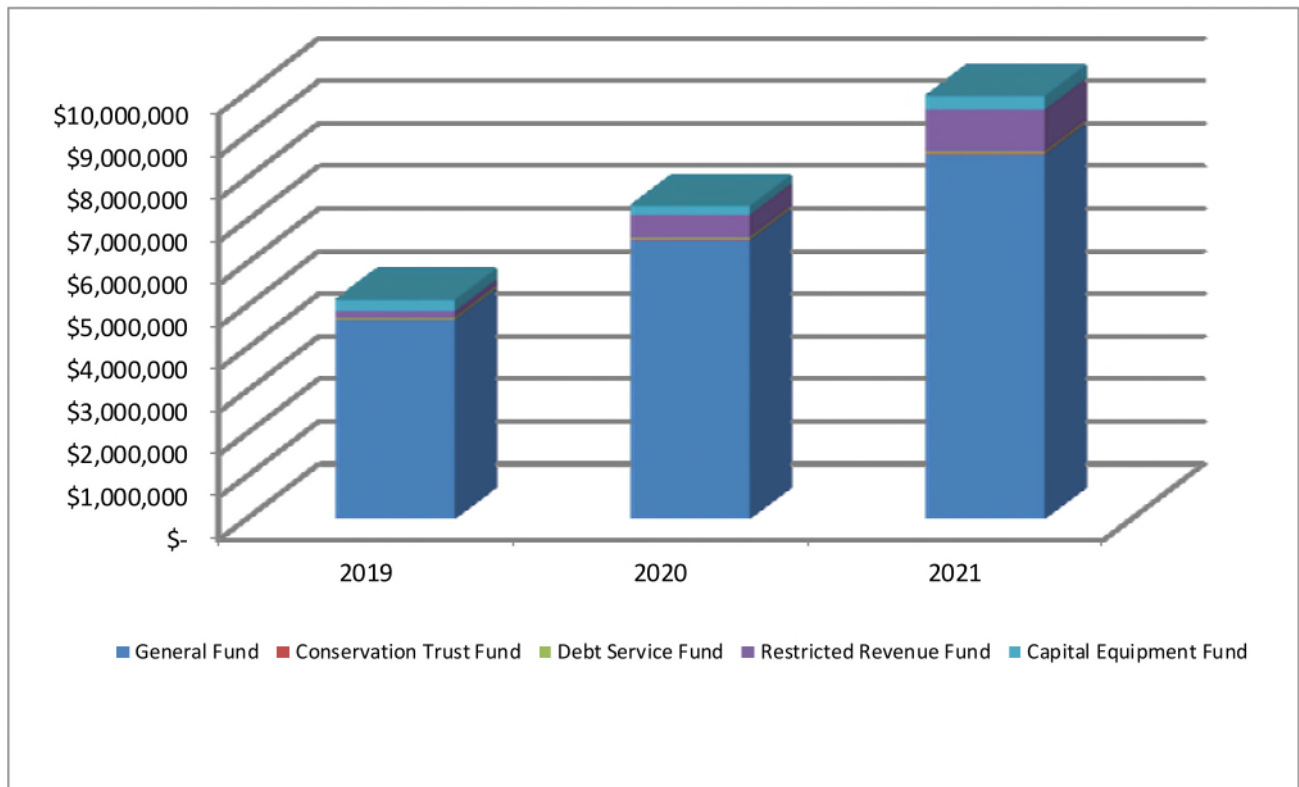
Financial Analysis of the Town's Funds

As mentioned on page B2 of this analysis, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Financial Analysis of the Town's Funds (continued)

Governmental funds: The focus of the Town's governmental funds is to provide information on near-term inflows (revenues), outflows (expenditures), and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,903,890; the funds increased \$2,583,944 from the prior year's ending balances. The Town's governmental fund balances for 2021 and the past two years are graphed as follows:



Proprietary funds: The Town's proprietary funds (Water and Wastewater Funds) provide the same type of information found in the government-wide financial statements, but in more detail.

The proprietary funds' total cash is available for spending at the Town's discretion. At the end of 2021 the Town Board reserved multiple amounts and designated them as committed reserves for emergencies in both our operations and maintenance and also for capital emergencies. Reserves are recognized in-house and are outlined earlier in this discussion.

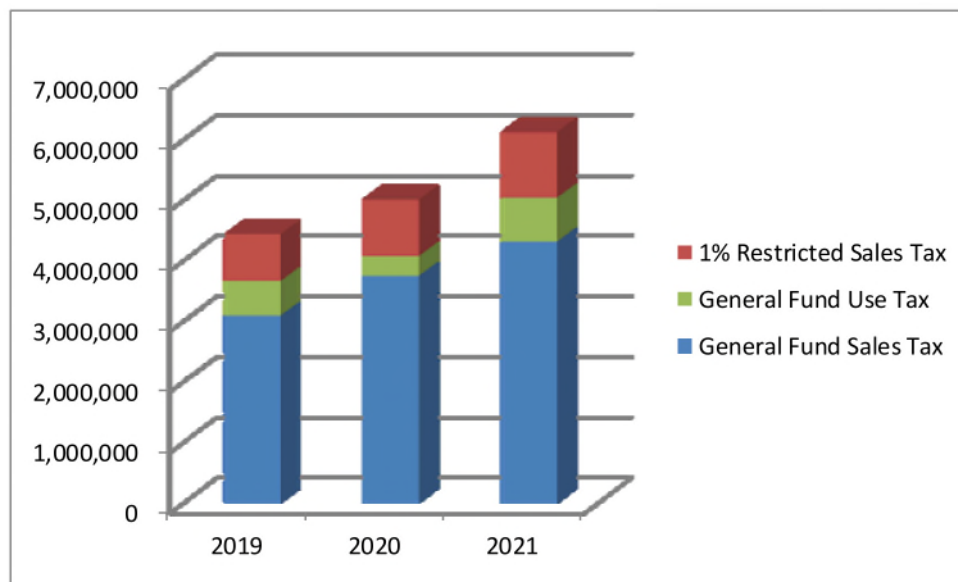
Budget Variances in the General Fund: The Town had the following significant budget variances which are detailed as follows:

<u>Pos. (Neg.)</u>	<u>Account</u>	<u>Reason</u>
Revenues:		
\$ 2,128,411	Sales & use taxes	Conservative budgeting due to various economic factors.
(431,606)	Grant revenue	Extensions in federal projects delayed grant reimbursement.
657,927	Town board comm enhanc.	Community housing expenditures reserved for future use.
Public Works		
322,345	Salaries and benefits	Vacant job positions ran longer than anticipated.
Culture and Recreation		
1,247,530	Capital outlay	Projects pushed to future years

Capital assets: The Town's government-wide capital assets, net of accumulated depreciation, decreased due largely to depreciation expense. Additional information as well as a detailed classification of the Town's net capital assets can be found in the Notes to the Financial Statements on pages D15 - D17 of this report.

Long-term obligations: As of the end of 2021, the Town had \$136,491 in long-term obligations for accrued compensated absences and the capital leases obligation. The Town entered into three new lease agreements for a vehicle and two equipment in 2018 and a Freightliner Truck in 2019. Additional information regarding the Town's debt can be found on pages D18 – D19 of this report.

Sales and Use Taxes: The Town has sales and use taxes that are used to fund its governmental operations. The Town's sales and use taxes changed from a total of \$5,010,000 in 2020 to \$6,121,528 in 2021. The following chart indicates changes in the taxes collections:



The Town's sales and use tax collections increased over the past years. Sales tax receipts increased 15% from 2020 to 2021 and the new 1% restricted sales tax generated \$1,078,117.

Next year's budget and rates: The Town's General Fund balance at the end of the current fiscal year was \$8,529,401. The Town's 2022 budget anticipates decreasing the General Fund balance by \$0. It is anticipated that this budgeted reduction in fund balance will decrease by year end due to under spending budgeted amounts as well as surpassing revenue projections.

Request for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Fraser, Finance Manager, P.O. Box 120, Fraser, Colorado 80442-0120.

GOVERNMENT-WIDE FINANCIAL STATEMENTS



Town of Fraser, Colorado
Statement of Net Position
For the Year Ended December 31, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Cash and investments - Unrestricted	9,044,660	7,607,732	16,652,392
Cash with County Treasurer	2,986	15,031	18,017
Accounts, taxes, and interest receivables	1,730,980	1,812,490	3,543,470
Due from fiduciary fund	-	643,228	643,228
Capital assets, net	9,939,346	19,628,634	29,567,980
Total Assets	<u>20,717,972</u>	<u>29,707,115</u>	<u>50,425,087</u>
Liabilities:			
Accounts payable	310,664	2,605	313,269
Due to fiduciary fund	19,574	-	19,574
Other liabilities	100,892	33,940	134,832
Due to other governments	-	562,100	562,100
Accrued compensated absences	21,779	22,507	44,286
Non-current liabilities due within one year	92,205	-	92,205
Total Liabilities	<u>545,114</u>	<u>621,152</u>	<u>1,166,266</u>
Deferred Inflows of Resources:			
Property taxes	443,605	-	443,605
Total Deferred Inflows of Resources	<u>443,605</u>	<u>-</u>	<u>443,605</u>
Net Position:			
Net investment in capital assets	9,847,141	19,628,634	29,475,775
Restricted	1,955,034	638,528	2,593,562
Unrestricted	7,927,078	8,818,797	16,745,875
Total Net Position	<u>19,729,253</u>	<u>29,085,959</u>	<u>48,815,212</u>

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

Town of Fraser, Colorado
Statement of Activities
For the Year Ended December 31, 2021

	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
Expenses						
General government activities:						
General government	2,675,928	151,667	303,394	(1,782,578)	-	(1,782,578)
Culture and recreation	64,016	-	-	(64,016)	-	(64,016)
Public safety	669,464	-	-	(669,464)	-	(669,464)
Public works	2,157,495	58,884	-	(2,098,611)	-	(2,098,611)
Interest	9,377	-	-	(9,377)	-	(9,377)
Total governmental activities	5,576,280	210,551	303,394	(4,624,046)	-	(4,624,046)
Business-type activities:						
Water	1,246,793	-	586,365	-	550,109	550,109
Wastewater	1,424,228	1,543	796,875	-	305,655	305,655
Total business-type activities	2,671,021	1,543	1,383,240	-	855,764	855,764
Total	8,247,301	212,094	1,686,634	(4,624,046)	855,764	(3,768,282)
General revenues:						
Taxes:						
Property tax				352,469	-	352,469
Specific ownership tax				27,175	-	27,175
General sales and use tax				6,121,528	-	6,121,528
Franchise tax				130,862	-	130,862
Other miscellaneous taxes				7,130	-	7,130
Investment earnings				3,700	4,037	7,737
Miscellaneous				68,636	6,387	75,023
Transfers to (from)				90,000	(90,000)	-
Total general revenues and transfers				6,801,500	(79,576)	6,721,924
Change in Net Position				2,177,454	776,188	2,953,642
Net Position - Beginning of Year				17,551,799	28,309,771	45,861,570
Net Position - End of Year				19,729,253	29,085,959	48,815,212

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



Town of Fraser, Colorado
Balance Sheet
Governmental Funds
December 31, 2021

	General	Debt Service	Conservation Trust	Capital Equipment Replacement	Restricted Revenue	Total Governmental Funds
Assets:						
Cash and investments - Unrestricted	7,781,336	35,538	28,726	308,850	890,212	9,044,662
Cash with County Treasurer	2,986	-	-	-	-	2,986
Receivables	201,141	-	-	-	11,000	212,141
Due from other governments	869,223	-	-	4,182	-	873,405
Taxes receivable	443,605	-	-	-	201,829	645,434
Total Assets	9,298,291	35,538	28,726	313,032	1,103,041	10,778,628
Liabilities and Fund Equity:						
Liabilities:						
Accounts/vouchers payable	230,646	-	-	-	105,848	336,494
Due to fiduciary fund	19,574	-	-	-	-	19,574
Other liabilities	75,065	-	-	-	-	75,065
Total Liabilities	325,285	-	-	-	105,848	431,133
Deferred Inflows of Resources:						
Other revenue	-	-	-	-	-	-
Property taxes	443,605	-	-	-	-	443,605
Total Deferred Inflows of Resources	443,605	-	-	-	-	443,605
Fund Balances:						
Nonspendable	201,141	-	-	-	-	201,141
Spendable						
Restricted	929,115	-	28,726	-	997,193	1,955,034
Committed	1,500,000	35,538	-	-	-	1,535,538
Assigned	1,500,000	-	-	313,032	-	1,813,032
Unassigned	4,399,145	-	-	-	-	4,399,145
Total Fund Balances	8,529,401	35,538	28,726	313,032	997,193	9,903,890
Total Liabilities, Deferred Inflows of Resources and Fund Balances	9,298,291	35,538	28,726	313,032	1,103,041	10,778,628

The accompanying notes are an integral part of these financial statements.
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Town of Fraser, Colorado
Reconciliation of Governmental Fund Balance to Governmental
Activities Net Position
December 31, 2021

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

Governmental Fund Balance	9,903,890
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	9,939,347
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(113,984)</u>
Net Position of Governmental Activities	<u><u>19,729,253</u></u>

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

Town of Fraser, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General	Debt Service	Conservation Trust	Capital Equipment Replacement	Restricted Revenue	Total Governmental Funds
Revenues:						
Taxes	5,561,047	-	-	-	1,078,117	6,639,164
Licenses and permits	285,903	-	-	-	-	285,903
Charges for services	152,385	-	-	-	-	152,385
Intergovernmental revenue	303,394	-	8,107	58,884	21,460	391,845
Investment income	3,324	17	11	92	256	3,700
Miscellaneous	182,006	-	-	-	-	182,006
Total Revenues	6,488,059	17	8,118	58,976	1,099,833	7,655,003
Expenditures:						
General government	1,764,966	-	-	-	640,217	2,405,183
Public safety	587,763	-	-	-	-	587,763
Public works	1,178,876	-	-	-	-	1,178,876
Culture and recreation	30,866	-	-	-	-	30,866
Debt service	-	-	-	106,496	-	106,496
Capital outlay	806,732	-	-	53,873	-	860,605
Total Expenditures	4,369,203	-	-	160,369	640,217	5,169,789
Excess (Deficiency) of Revenues Over Expenditures	2,118,856	17	8,118	(101,393)	459,616	2,485,214
Other Financing Sources (Uses):						
Transfers in (out)	(110,000)	-	-	200,000	-	90,000
Sale of assets	-	-	-	8,730	-	8,730
Total Other Financing Sources (Uses)	(110,000)	-	-	208,730	-	98,730
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	2,008,856	17	8,118	107,337	459,616	2,583,944
Fund Balances - Beginning of Year	6,520,545	35,521	20,608	205,695	537,577	7,319,946
Fund Balances - End of Year	8,529,401	35,538	28,726	313,032	997,193	9,903,890

Town of Fraser, Colorado
Reconciliation of Net Change in Fund Balances to Change in Net
Position of Governmental Activities
For the Year Ended December 31, 2021

Net Change in Fund Balances of Governmental Funds	2,583,944
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay, net of capital disposals during the year.	(511,426)
Accrued liabilities for employees' sick and vacation are not an expenditure in the governmental funds, but are increases in long-term liabilities in the Statement of Net Position. This is the amount that accrued vacation not immediately payable decreased.	7,722
Repayment of capital lease and bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of principal repayments.	<u>97,214</u>
Change in Net Position of Governmental Activities	<u><u>2,177,454</u></u>

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

Town of Fraser, Colorado
Statement of Net Position
Enterprise Funds
For the Year Ended December 31, 2021

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total Enterprise Funds</u>
Assets:			
Current assets:			
Cash and cash equivalents	2,390,013	5,217,720	7,607,733
Utility receivables	276,732	241,447	518,179
Plant investment fee receivables	651,933	635,000	1,286,933
Other receivables	-	7,378	7,378
Due (to) from fiduciary fund	-	643,228	643,228
Due from other governments	8,918	6,113	15,031
Total Current Assets	<u>3,327,596</u>	<u>6,750,886</u>	<u>10,078,482</u>
Non-current assets:			
Land	100,000	144,320	244,320
Water rights	657,860	-	657,860
Equipment	353,994	118,229	472,223
Treatment plant and system	15,240,813	17,949,489	33,190,302
Less: Accumulated depreciation	(7,159,135)	(7,776,936)	(14,936,071)
Total Non-Current Assets	<u>9,193,532</u>	<u>10,435,102</u>	<u>19,628,634</u>
Total Assets	<u>12,521,128</u>	<u>17,185,988</u>	<u>29,707,116</u>
Liabilities and Fund Equity:			
Liabilities:			
Current liabilities:			
Vouchers/accounts payable	-	2,610	2,610
Deposits payable	33,940	-	33,940
Total Current Liabilities	<u>33,940</u>	<u>2,610</u>	<u>36,550</u>
Non-current liabilities:			
Accrued compensated absences	8,046	14,461	22,507
Total Liabilities	<u>41,986</u>	<u>17,071</u>	<u>59,057</u>
Deferred Inflows of Resources:			
Other revenue	562,100	-	562,100
Total Deferred Inflows of Resources	<u>562,100</u>	<u>-</u>	<u>562,100</u>
Net Position:			
Net investment in capital assets	9,193,532	10,435,102	19,628,634
Restricted	-	638,528	638,528
Unrestricted	2,723,510	6,095,287	8,818,797
Total Net Position	<u>11,917,042</u>	<u>17,168,917</u>	<u>29,085,959</u>

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

Town of Fraser, Colorado
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
For the Year Ended December 31, 2021

	<u>Water</u>	<u>Wastewater</u>	<u>Total Enterprise Funds</u>
Operating Revenues:			
Charges for services	1,118,075	931,465	2,049,540
Meter sales	92,462	-	92,462
Miscellaneous revenue	6,387	1,543	7,930
Total Operating Revenues	<u>1,216,924</u>	<u>933,008</u>	<u>2,149,932</u>
Operating Expenses:			
Personnel	398,694	420,925	819,619
Commodities	270,052	174,001	444,053
Contractual	170,513	280,303	450,816
System development	10,104	-	10,104
Depreciation	397,430	548,999	946,429
Total Operating Expenses	<u>1,246,793</u>	<u>1,424,228</u>	<u>2,671,021</u>
Operating Income (Loss)	<u>(29,869)</u>	<u>(491,220)</u>	<u>(521,089)</u>
Non-Operating Revenues:			
Interest revenue	953	3,084	4,037
Net Non-Operating Revenues	<u>953</u>	<u>3,084</u>	<u>4,037</u>
Income (Loss) before Contributions and Transfers	<u>(28,916)</u>	<u>(488,136)</u>	<u>(517,052)</u>
Capital contributions	586,365	796,875	1,383,240
Transfers in	-	-	-
Transfers (out)	(45,000)	(45,000)	(90,000)
Contributions and Transfers	<u>541,365</u>	<u>751,875</u>	<u>1,293,240</u>
Change in Net Position	512,449	263,739	776,188
Net Position - Beginning of Year	<u>11,404,593</u>	<u>16,905,178</u>	<u>28,309,771</u>
Net Position - End of Year	<u><u>11,917,042</u></u>	<u><u>17,168,917</u></u>	<u><u>29,085,959</u></u>

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

Town of Fraser, Colorado
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2021

	<u>Water</u>	<u>Wastewater</u>	<u>Total Enterprise Funds</u>
Cash Flows From Operating Activities:			
Cash received from customers	1,199,945	878,259	2,078,204
Other cash received	(7,257)	30,542	23,285
Cash received (paid) for deposits	(18,593)	326,918	308,325
Cash payments for goods and services	(450,670)	(451,692)	(902,362)
Cash payments for salaries and benefits	(402,151)	(423,607)	(825,758)
Net Cash Provided (Used) by Operating Activities	<u>321,274</u>	<u>360,420</u>	<u>681,694</u>
Cash Flows From Non-Capital and Related Financing Activities:			
Cash transferred to other funds	(45,000)	(45,000)	(90,000)
Cash received from grants and contributions	-	(3,297)	(3,297)
Net Cash Provided (Used) by Non-Capital and Related Financing Activities	<u>(45,000)</u>	<u>(48,297)</u>	<u>(93,297)</u>
Cash Flows From Capital and Related Financing Activities:			
Plant investment fees (paid) received	560,699	344,375	905,074
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>554,199</u>	<u>79,751</u>	<u>633,950</u>
Cash Flows From Investing Activities:			
Interest	953	3,084	4,037
Net Cash Provided (Used) by Investing Activities	<u>953</u>	<u>3,084</u>	<u>4,037</u>
Net (Decrease) Increase in Cash and Cash Equivalents	831,426	394,958	1,226,384
Cash and Cash Equivalents - Beginning of Year	1,558,587	4,822,762	6,381,349
Cash and Cash Equivalents - End of Year	<u>2,390,013</u>	<u>5,217,720</u>	<u>7,607,733</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	<u>(29,869)</u>	<u>(491,220)</u>	<u>(521,089)</u>
Adjustments:			
Depreciation	397,430	548,999	946,429
(Increase) decrease in accounts receivable	(24,236)	(24,207)	(48,443)
(Increase) decrease in deposits receivable	-	326,918	326,918
Increase (decrease) in accrued compensated absences	(3,457)	(2,682)	(6,139)
Increase (decrease) in deposits payable	(18,594)	-	(18,594)
Total Adjustments	<u>351,143</u>	<u>851,640</u>	<u>1,202,783</u>
Net Cash Provided (Used) by Operating Activities	<u>321,274</u>	<u>360,420</u>	<u>681,694</u>

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

Town of Fraser, Colorado
Statement of Fiduciary Assets and Liabilities
December 31, 2021

	<u>JF</u> <u>Fund</u>
Assets:	
Cash and cash equivalents	1,964,862
Accounts receivable, net:	108,874
Total Assets	<u><u>2,073,736</u></u>
Liabilities:	
Accounts payable	136,621
Deposits	1,937,115
Due to others	-
Total Liabilities	<u><u>2,073,736</u></u>

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

Town of Fraser, Colorado
Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended December 31, 2021

	JF Fund
Operating Revenues:	
Charges for operations and maintenance costs	730,060
Transfer in	253,638
Total Operating Revenues	983,698
 Operating Expenses:	
Salaries and Wages	237,517
Employee Benefits	86,190
Purchased services	399,965
Supplies	39,984
Utilities	220,042
Total Operating Expenses	983,698
 Change in Assets and Liabilities	 -
Due to Others - Beginning	-
Due to Others - Ending	-

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

NOTES TO THE FINANCIAL STATEMENTS



Town of Fraser
Notes to the Financial Statements
December 31, 2021

I. Summary of Significant Accounting Policies

The Town of Fraser, Colorado (the "Town") is incorporated under Colorado statutes to provide public safety, streets and street maintenance, water and wastewater service, recreation including parks and trails, transportation, special events, planning and zoning, and general administrative services. The Town is located in Grand County and operates under a Council-Manager form of government.

An elected Mayor and Town Board are responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with state statutes. The Town's major operations include road maintenance, water and wastewater service, public safety and culture and recreation.

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 and 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 that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Town. Organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based 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.

B. Government-wide and Fund 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). Government-wide financial statements report on information of all of the activities of the Town. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's public safety, public works, culture and recreation, and administration functions are classified as governmental activities. The Water Fund and Wastewater Fund are classified as business-type activities.

In the government-wide Statement of Net Position, the governmental activities columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position are reported in three parts – Net investment in capital assets; Restricted net position; and Unrestricted net position.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's governmental functions and business-type activities. The governmental functions are also supported by general government revenues (sales taxes, property and specific ownership taxes, investment earnings, etc.). 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 governmental function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. 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.

C. 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 and compensated absences are recorded only when payment is due.

Franchise fees, licenses and interest associated with current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Sales and excise taxes collected by vendors at year end on behalf of the Town are also recognized as revenue if collected within 30 days after year end. Expenditure driven grants are recognized as revenue when qualified expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

3. Financial Statement Presentation

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent to the value of the interfund services provided and other charges between the functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the water and wastewater functions.

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 the operation of the water and wastewater systems within the Town. Operating expenses for the enterprise funds includes operating expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. 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 major governmental funds:

General Fund

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 in another fund.

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

The *Conservation Trust Fund* accounts for lottery proceeds required to be expended solely on park and recreation improvements.

The *Restricted Revenue Fund* accounts for a dedicated sales tax to be used for transportation, trails, and capital project expenditures.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Fund Financial Statements (continued)

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The *Capital Equipment Replacement Fund* accounts for funds set aside for the purchase and replacement of capital equipment. A significant portion of revenues consists of highway user tax proceeds.

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures of principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

The *Debt Service Fund* accounts for payments made on the Town's bonded debt obligations.

The Town reports the following proprietary or business-type funds:

The *Water Fund* accounts for the purchase and delivery of water to the citizens of the Town. The Water Fund also maintains the infrastructure needed to provide water service.

The *Wastewater Fund* accounts for the treatment of wastewater from the citizens of the Town. The Wastewater Fund also maintains the infrastructure needed to provide wastewater service.

The Town reports the following fiduciary fund:

The *Joint Facilities ("JF") Operations and Maintenance Fund* accounts for the operations of the Upper Fraser Valley Wastewater Treatment Joint Facilities.

E. Financial Statement Accounts

1. Cash and Cash Equivalents

The Town pools deposits and investments of all funds except JF Operations and Maintenance Fund, which are held in separate accounts. Each fund's share of the pool is readily identified by the Town's internal records. Investments are stated at market value.

Cash and cash equivalents include demand deposits, certificates of deposit, local government investment pools (COLOTRUST), and U.S. government-backed securities.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

1. Cash and Cash Equivalents (continued)

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, have been classified as restricted assets on the balance sheet because their use is limited by the applicable covenants. Restricted assets also include certain deposits that have been limited as to usage pursuant to escrow and similar agreements.

The Town's investment policy permits investments in the following type of obligations which corresponds with state statutes:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Corporate Bonds (maximum maturity of 36 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Eligible Bankers Acceptances
- Repurchase Agreements
- General Obligations and Revenue Obligations
- Local Government Investment Pools
- Money Market Mutual Funds

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Long-term Notes Receivable

In the government-wide financial statements, long-term notes receivables are reported as an asset. In the fund financial statements, the face amount is reported as a general government expense.

4. Property Taxes

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

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

5. Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and infrastructure assets (only infrastructure acquired after January 1, 2002), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

Infrastructure, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	15 - 30
Buildings and improvements	15 - 40
Distribution systems	40
Equipment and vehicles	7

6. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the obligated governmental fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities column in the government-wide financial statements. Vested or accumulated vacation leave of the proprietary fund type is recorded as an expense and liability of that fund as the benefits accrue to employees. In accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

7. Restricted Assets

Fees collected in lieu of park and open space and affordable housing impact fees are restricted as to their use by Town ordinances.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

8. Deferred Outflows/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 does not have any deferred outflows of resources at December 31, 2021.

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 deferred inflow, property taxes, is deferred and recognized as an inflow of resources in the period that the amounts become available.

9. Categories and Classification of Fund Balance

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The Town of Fraser classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable:

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.

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 or its management designee.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

9. Categories and Classification of Fund Balance (continued)

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 may use restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town might first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

10. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

11. Deposits

Deposits on the JF Operations and Maintenance Fund represent contributions made to the JF Operations and Maintenance Fund by Winter Park Ranch Water and Sanitation District ("Winter Park Ranch") and Grand County Water and Sanitation District #1 ("Grand County #1") and the Town (previously the Fraser Sanitation District) for operating and replacement costs relating to the combined wastewater treatment plant. These deposits are held for working capital and replacement costs during the time all members remain joint operators of the plant.

F. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Town's management to make estimates and assumptions that affect the reported amount 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.

2. Proprietary Funds

As required by GASB Statement No. 62, the Town has elected to follow all GASB pronouncements for its proprietary funds.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

F. Significant Accounting Policies (continued)

3. Credit Risk

Receivables in the Town's funds are primarily due from other governments. Management believes that the credit risk related to these receivables is minimal.

4. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes reconciliation between *fund balance - total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds." The \$9,939,346 adjustment represents the net book value of capital assets of \$23,701,524 and accumulated depreciation of \$13,762,178 at December 31, 2021.

Another element of the reconciliation states that "Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The \$113,984 reconciling item represents obligation related to accrued compensated absences and capital leases at year end.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that governmental funds report capital outlays as expenditures, but in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. The details of this reconciling amount are capital outlay of \$438,764, less depreciation expense of \$950,191, less the disposal of capital assets of \$0 during 2021.

Another element of that reconciliation is \$5,041 which represents increase in accrued compensated absences. Similarly, another reconciling item \$- represents revenue from long-term note receivables. The final reconciling item is \$97,214 which represents payment related to capital lease.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

1. Budgetary Basis of Accounting

The preparation 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.

As required by Colorado Statutes, the Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2021.

- (1) For the 2021 budget year, prior to August 25, 2020, the County Assessor sent to the Town an assessed valuation of all taxable property within the Town's boundaries.
- (2) The Town Manager, or other qualified person appointed by the Board, submitted to the Board, on or before October 15, 2020, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the Town's operating requirements.
- (3) Prior to December 15, 2020, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
- (4) After adoption of the budget resolution, the Town may make the following changes: a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2020 were collected in 2021 and taxes certified in 2021 will be collected in 2022. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

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.

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 \$275,000.

On April 4, 2000, the Town's electorate approved the following: *Without any increase in the property tax mill levy or the 4% sales and use tax rate, shall the Town of Fraser, Colorado, be authorized, in the year 2000 and each subsequent year thereafter, to collect, retain, and expend the full proceeds of the Town's fees, taxes, non-federal grants and other revenues and to spend such revenues for debt service, municipal operations, capital projects, and any other lawful municipal purpose, notwithstanding any state of Colorado restrictions on revenues or spending, including the restrictions of Article X, Section 20 of the Colorado Constitution, the revenue limit in Section 29-1-301 of the Colorado Revised Statutes, or any other law.*

On November 3, 2020, the Town's electorate approved the following: *Without increasing total tax revenues collected, shall the Town of Fraser be authorized to adjust its mill levy annually to offset revenue reductions caused by State imposed changes to the percentage used to determine assessed valuation, including any changes made pursuant to the 1982 Gallagher amendment to the Colorado Constitution, so that, to the extent possible, the revenues generated by such mill levy are the same as the tax revenues that would have been generated had such changes in the method of calculating assessed valuation not occurred?*

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, could require judicial interpretation.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

The Town's checking accounts are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the Town's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the Town's demand deposits were \$451,271 at year end.

Fair Value of Investments

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At December 31, 2021, the Town had the following recurring fair value measurements:

<u>Investments at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurement</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash with fiscal agent	\$ 18,017	18,017	-	-

Investments Measured at Net Asset Value

Colotrust	\$ 18,165,983
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Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The Town had the following deposits and investments for all funds, with the following maturities December 31, 2021:

<u>Type:</u>	<u>Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>Less Than Five Years</u>
<i>Deposits:</i>				
Checking Accounts	Not Rated	\$ 221,665	221,665	-
Savings Accounts	Not Rated	229,606	229,606	-
<i>Investments:</i>				
Cash with fiscal agent		18,017	18,017	
Investment Pools	AAAm	<u>18,165,983</u>	18,165,983	-
		<u>\$ 18,635,271</u>		

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

The investment pools represent investments in the Colorado Government Liquid Asset Trust ("COLOTRUST") a 2a7-like pools. Pools are not covered by FDIC insurance or PDPA but are rated AAAM. The fair value of the pools is determined by the pools' share price. The Town has no regulatory oversight for the pools.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the Town coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the Town has limited its interest rate risk.

Credit Risk. Colorado statutes specify instruments in which local governments may invest, including:

- Obligations of the U.S. and certain U.S. governmental agency securities
- Certain international agency securities
- General obligation and revenue bonds for U.S. local governmental 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

The Town's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of year-end for the Town's funds, including applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds			
	General	Capital Equipment	Restricted Revenue	Total
Receivables:				
Taxes	\$ 443,605	-	201,829	645,434
Accounts	201,141	-	11,000	212,141
Intergovernmental	869,223	4,182	-	873,405
Gross receivables	1,513,969	4,182	212,829	1,730,980
Less: allowance for uncollectible	-	-	-	-
Net Receivables	\$ 1,513,969	4,182	212,829	1,730,980

	Enterprise Funds		
	Water Operations	Wastewater Operations	Total
Receivables:			
Accounts	\$ 928,665	\$ 876,447	\$ 1,805,112
Other	-	7,378	\$ 7,378
Gross receivables	928,665	883,825	1,812,490
Less: allowance for uncollectible	-	-	-
Net Receivables	\$ 928,665	\$ 883,825	\$ 1,812,490

Governmental funds report deferred inflow of resources from property taxes in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The receivable is net of \$443,605 of property taxes levied in 2021 but not available until 2022.

C. Long-Term Note Receivable

In August 2017, the Town entered into a grant and loan agreement with Crooked Creek Saloon (the "Saloon"). The total funds disbursed per the agreement totaled \$85,000, of which \$40,000 was given as a grant toward property improvements, and an additional \$45,000 provided to the owner as a no-interest loan. The loan is due in installments of \$750 monthly for five years commencing after the date of completion of the project. The project was completed and the Town started receiving payments in 2018. In 2020, the Saloon was sold and the remaining note receivable balance was received in full. There is no outstanding balance under this agreement at year end.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 730,629	-	-	730,629
Total capital assets, not being depreciated	730,629	-	-	730,629
Capital assets, being depreciated:				
Infrastructure	18,409,876	350,556	-	18,760,432
Buildings	1,460,962	-	-	1,460,962
Furniture and equipment	2,661,293	88,208	-	2,749,501
Total capital assets, being depreciated	22,532,131	438,764	-	22,970,895
Less accumulated depreciation for:				
Infrastructure	(9,841,675)	(684,177)	-	(10,525,852)
Buildings	(1,085,640)	(38,857)	-	(1,124,497)
Furniture and equipment	(1,884,672)	(227,157)	-	(2,111,829)
Total accumulated depreciation	(12,811,987)	(950,191)	-	(13,762,178)
Total capital assets, being depreciated, net	9,720,144	(511,427)	-	9,208,717
Governmental activities capital assets, net	<u>\$ 10,450,773</u>	<u>(511,427)</u>	<u>-</u>	<u>9,939,346</u>

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 244,320	-	-	244,320
Water rights	651,360	6,500	-	657,860
Construction in progress	2,826,086	(2,771,839)	(54,247)	-
Total capital assets, not being depreciated	<u>3,721,766</u>	<u>(2,765,339)</u>	<u>(54,247)</u>	<u>902,180</u>
Capital assets, being depreciated:				
System and improvements	23,658,913	-	-	23,658,913
Buildings and improvements	6,448,127	3,083,263	-	9,531,390
Equipment	464,776	7,447	-	472,223
Total capital assets, being depreciated	<u>30,571,816</u>	<u>3,090,710</u>	<u>-</u>	<u>33,662,526</u>
Less accumulated depreciation for:				
System and improvements	(10,863,545)	(660,535)	-	(11,524,080)
Buildings and improvements	(2,772,030)	(274,439)	-	(3,046,469)
Equipment	(354,068)	(11,455)	-	(365,523)
Total accumulated depreciation	<u>(13,989,643)</u>	<u>(946,429)</u>	<u>-</u>	<u>(14,936,072)</u>
Total capital assets, being depreciated, net	<u>16,582,173</u>	<u>2,144,281</u>	<u>-</u>	<u>18,726,454</u>
Business-type activities capital assets, net	<u><u>\$ 20,303,939</u></u>	<u><u>(621,058)</u></u>	<u><u>(54,247)</u></u>	<u><u>19,628,634</u></u>

In accordance with generally accepted accounting principles, the Town has elected to report general government infrastructure assets prospectively. Therefore, only general government infrastructure assets acquired since January 1, 2002 are included in the Town's financial statements.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

D. Capital Assets (continued)

The Town had the following capital outlay and depreciation expense for the following functions:

	<u>Depreciation Expense</u>	<u>Capital Outlay</u>
Governmental activities:		
General government	\$ 37,811	-
Public works, including infrastructure	859,853	388,308
Public safety	22,487	50,456
Culture and recreation	30,040	-
Total governmental activities	<u>\$ 950,191</u>	<u>438,764</u>
Business-type activities:		
Water	\$ 397,430	6,500
Wastewater	548,999	264,624
Total business-type activities	<u>\$ 946,429</u>	<u>271,124</u>

E. Interfund Receivables, Payables, and Transfers

Transfers were as follows:

	<u>In</u>	<u>Out</u>
General	\$ -	(660,000)
Capital Equipment	200,000	-
Capital Asset Fund	550,000	-
Wastewater	-	(45,000)
Water	-	(45,000)
	<u>\$ 750,000</u>	<u>(750,000)</u>

Transfers were to provide additional resources to meet the activities provided in each fund.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Other Liabilities

1. Capital Leases

In June 2018, the Town entered into a capital lease agreement for the purchase of a vehicle. The total amount financed was \$66,278, with interest stated at 4.89% per annum. The lease requires annual payments of \$14,551 through 2022.

In August 2018, the Town entered into a capital lease agreement for the purchase of equipment. The total amount financed was \$55,351 with interest stated at 5.36% per annum. The lease requires monthly payments of \$1,284 through 2022.

In October 2018, the Town entered into a capital lease agreement for the purchase of equipment. The total amount financed was \$52,511 with interest stated at 6.43% per annum. The lease requires monthly payments of \$1,244 through 2022.

In April 2019, the Town entered into a capital lease agreement for the purchase of a Freightliner Truck. The total amount financed was \$228,985 with interest stated at 5.14% per annum. The lease requires annual payments of \$61,618 through 2022.

Minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
#REF!	92,205	4,142	96,347
Total	<u>\$ 92,205</u>	<u>4,142</u>	<u>96,347</u>

The net book value of the assets acquired through a capital lease as of December 31, 2021 are as follows:

Cost	\$ 403,125
Less: Accumulated Depreciation	<u>(252,049)</u>
Net Book Value	<u>\$ 151,076</u>

2. Accrued Compensated Absences

Earned but unused vacation benefits amounted to \$44,286 at December 31, 2021. All unused vacation benefits are recorded on the government-wide financial statements.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

F. Other Liabilities (continued)

3. Schedule of Changes in Long-term Debt

	<u>Balance 1/1/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/21</u>	<u>Due Within One Year</u>
Governmental activities:					
Capital leases	\$ 189,419	-	(97,214)	92,205	92,205
Accrued compensated absences	29,501	-	(7,722)	21,779	-
Total	<u>\$ 218,920</u>	<u>-</u>	<u>(104,936)</u>	<u>113,984</u>	<u>92,205</u>
Business-type activities:					
Accrued compensated absences	\$ 21,992	515	-	22,507	-
Total	<u>\$ 21,992</u>	<u>515</u>	<u>-</u>	<u>22,507</u>	<u>-</u>

G. Restricted Fund Balance

The Town had the following restrictions on the fund balances at December 31, 2021:

	<u>Balance 1/1/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/21</u>
General Fund:				
Fees in lieu of Park	\$ 6,379	-	-	6,379
Affordable housing impact fee	134,426	595,000	(81,690)	647,736
Emergency reserves	200,000	75,000	-	275,000
Debt Service Fund reserves:				
Next year's payments	-	-	-	-
Conservation Trust Fund	20,608	8,118	-	28,726
Restricted Revenue Fund	537,557	459,636	-	997,193
Wastewater Fund				
Operating reserve	53,860	224	-	54,084
Capital replacement reserve	920,713	-	(336,269)	584,444
	<u>\$ 1,873,543</u>	<u>1,137,978</u>	<u>(417,959)</u>	<u>2,593,562</u>

The Town had \$638,528 restricted in the Wastewater Fund for Upper Fraser Valley Wastewater Treatment Joint Facilities operating and capital replacement expenses.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Committed Fund Balance

The Town has the following commitments of the governmental fund balances at December 31, 2021:

	<u>Balance 1/1/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/21</u>
General Fund:				
Reserve savings	\$ 1,000,000	500,000	-	1,500,000
Debt Service Fund:				
Capital projects	35,520	18	-	35,538
	<u>\$ 1,035,520</u>	<u>500,018</u>	<u>-</u>	<u>1,535,538</u>

I. Assigned Fund Balance

The Town had the following assignments of the governmental fund balances at December 31, 2021:

	<u>Balance 1/1/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/21</u>
General Fund:				
Future budget deficit	\$ 2,511,530	-	(2,511,530)	-
Strategic reserves	1,100,000	400,000	-	1,500,000
Capital Equipment Replacement:				
Capital projects	205,695	107,337	-	313,032
	<u>\$ 3,817,225</u>	<u>507,337</u>	<u>(2,511,530)</u>	<u>1,813,032</u>

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

V. Other Information

A. Joint Facilities (“JF”) Operations and Maintenance Fund

In 2002, the Fraser Sanitation District (the “District”), Winter Park Ranch, and Grand County #1 entered into an agreement to participate in the joint construction, maintenance, and operations of joint interceptor sewer lines and joint sewage treatment facilities. This new wastewater treatment plant has been constructed on the existing plant site of the District/Winter Park Ranch treatment facility and a new and/or expanded sewer trunk line from Grand County #1 will connect with the existing District/Winter Park Ranch interceptor line. Title of the new joint facilities will be allocated among these three members based on each member’s proportionate share of equivalent residential units to be serviced by the new plant. The District was dissolved into the Town effective December 31, 2009.

Construction costs of these new facilities, excluding expenses relating to segment B of the joint trunk lines (“B-Line”) described below, are based on each member’s future share of equivalent residential units to be serviced by the new plant and are allocated as follows:

Town – 34.07%
Winter Park Ranch – 28.89%
Grand County #1 – 37.04%

Under the Upper Fraser Valley Wastewater Agreement, a Joint Facilities Oversight Committee (“JFOC”) was established to represent the three members regarding the construction, expansion, operations, management, and maintenance of the new joint facilities. The JFOC is comprised of a total of nine members, with each member having three members. The Town was appointed as the manager of the joint facilities for 2021. The JFOC may designate a new manager on an annual basis. In 2021, as approved by the JFOC, the Town earned \$29,000 in management fees.

Operations and maintenance costs will be allocated among the three members based on each member’s proportionate share of equivalent residential units currently serviced by the new plant. In addition, upon certification of the new joint facilities, this agreement requires the establishment of an operations and maintenance reserve fund equal to three months operations and maintenance costs and a capital replacement reserve fund, the amount which is determined by the JFOC.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

V. Other Information (continued)

A. Joint Facilities (“JF”) Operations and Maintenance Fund (continued)

1. Maryvale Village (Rendezvous)

The District entered an agreement on May 9, 2000, with Maryvale Village, L.L.C., and several individuals (collectively referred to as the “Rendezvous”), Maryvale Commercial Metropolitan District, and Maryvale Residential Metropolitan District (these districts are collectively referred to as the “Maryvale Districts”) that permitted the inclusion of the Maryvale development within the District’s boundaries in order to receive sanitation services, in exchange for inclusion fees.

Pursuant to this agreement, Rendezvous and the Maryvale Districts are responsible for the construction of sewer main extensions and related infrastructure from the existing District sewer main to the Maryvale development. These sewer main extensions and related infrastructure will ultimately be conveyed to the District at the time these projects are completed or begin to be used, whichever comes first, subject to the District’s acceptance of these assets. As of December 31, 2021, Maryvale development sewer mains and infrastructure had been conveyed to the District, and is presented as an asset on the Town’s financial statements.

Per this agreement, in exchange for the District agreeing to oversize the new wastewater treatment plant described earlier, the Developer and Maryvale Districts agreed to cover the amount of any shortfall in the District’s CWRPDA loan payments by pre-purchasing tap fees. In addition, this agreement requires the Developer and Maryvale Districts to establish an escrow account in the amount of \$160,000 to guarantee their compliance in the event of a default regarding their pre-purchase obligations. As of December 31, 2021, no prepaid tap fees have been required or made by the Developer and the Maryvale Districts. This guarantee was released in 2009.

2. Pre-Inclusion Agreement - Cornerstone

The District entered an agreement on April 5, 2005, with Cornerstone Winter Park Holdings, L.L.C. (“Cornerstone”) that permits the inclusion of a portion of Cornerstone’s development within the District’s boundaries in order to receive sanitation services for inclusion fees.

Cornerstone shall be responsible for constructing, paying for and installing all sewer lines and any related facilities within the property including all lines, manholes and mains. This infrastructure will ultimately be conveyed to the District at the time these projects are completed or begin to be used, whichever comes first, subject to the District’s acceptance of these assets.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

V. Other Information (continued)

B. Retirement Plans – Defined Contribution Pension Plan – Section 401(a)

The Town is a member of Colorado Retirement Association (“CRA”). CRA was established to provide retirement benefits to employees of Colorado local governments. As a member, the Town participates in the CRA retirement plan created in accordance with Internal Revenue Code Section 401(a) (the “401(a) Plan”), which is a defined contribution pension plan. Employees of the Town are required to participate in the 401(a) Plan after 6 months of service. Each eligible employee is required to contribute 4% of gross wages to the 401(a) Plan. The Town matches employee contributions at the same rate and these matched dollars have a vesting period of 5 years. The Town is neither the trustee nor the administrator for the 401(a) Plan. The seven-member governing board of CRA makes all necessary rules and is responsible for administration of the funds in the 401(a) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee. Upon termination of service with the Town, any unvested amounts will be forfeited and may be used to pay plan expenses or Employer’s contributions to the 401(a) Plan.

During 2021, the Town recognized \$66,848 of expense under this plan. The Town has \$0 of forfeitures included in the 2021 401(a) Plan expense. The Town had a liability of \$0 due to the 401(a) Plan at December 31, 2021.

C. Retirement Plans – Deferred Compensation Plan – Section 457(b)

The Town also participates in the CRA retirement plan created in accordance with Internal Revenue Code Section 457(b) (the “457(b) Plan”), which is a deferred compensation plan. The plan permits employees to defer a portion of their salary until future years. All contributions to the 457(b) Plan and all income attributable to those amounts are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries. Plan investment purchases are determined by the plan participant and therefore, the plan’s investment concentration varies between participants. The Town matches up to 2% of employee contributions and these matched dollars are vested immediately. The Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Town is neither the trustee nor the administrator for the plan. The seven-member governing board of CRA makes all necessary rules and is responsible for administration of the funds in the 457(b) Plan. Benefits payable at retirement, death, termination, or other unforeseen circumstance are based on the accumulated account balance of each employee.

The Town recognized \$19,111 of pension expense related to the 457(b) Plan during 2021 and had a liability of \$0 due to the 457(b) Plan at December 31, 2021.

D. Other Employee Benefits - Post Employment Health Care Benefits

All Town employees covered by State continuation insurance may continue their health insurance due to a reduction in work hours or termination of employment (for reasons other than "gross misconduct") for up to 18 months after the occurrence of one of these events. Eligible dependents may continue coverage for up to 36 months. Employees who elect continued coverage do so through Colorado Employer Benefit Trust (CEBT) who is a multiple employer trust for public institutions providing employee benefits. CEBT partnered with 24HourFlex as the COBRA administrator for all CEBT employers. No cost to the Town is recognized as employees pay through 24HourFlex.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

V. Other Information (continued)

E. Intergovernmental Agreements

1. Public Safety Services

In lieu of directly providing public safety services, the Town has entered into an agreement with the Town of Winter Park, Colorado to form a joint public safety force effective May 1, 2005 and amended March 21, 2012. The agreement requires costs to be split 65% to Winter Park and 35% to Fraser, based upon average call volume, but reevaluated annually and may be amended as agreed upon by both parties.

2. Building Department

The Town has entered into an agreement January 20, 2010 to form a joint building services department with the Town of Winter Park, Colorado and the Town of Granby, Colorado. According to the agreement, quarterly expenses are to be split based upon the portion of revenue collected for each Town, but may be adjusted annually by mutual agreement based on permits issued, inspections performed, time expended by personnel, vehicle depreciation and mileage and other measures.

3. Transportation Agreement

The Town has entered into an agreement on June 19, 2018 with the Town of Winter Park to provide transit services. The terms of the agreement automatically renew for 10 one-year periods unless either party provides written notice of nonrenewal on or before June 30th of the prior year. Pursuant to the agreement, the Town pays a monthly management fee equal to 10% of Winter Park's management costs of the Transit System, as well as all operating costs incurred for the Town's portion of the route.

4. Water Storage Agreement

In 2018, the Town purchased 25 acre-feet of water rights at Grand County Water Storage Reservoir. Pursuant to the terms of the operating agreement, the Town of Fraser and the Town of Winter Park will split costs associated with Maintenance and Capital Reserves as needed by Grand County Water Storage Reservoir.

F. Risk Management

The Town is exposed to various risks of loss related to workers' compensation, general liability, and worker unemployment. The Town has acquired commercial coverage for these risks. Any settled claims are not expected to exceed the commercial insurance coverage. The Town is also exposed to the risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. The Town is a member of the insurance pool described below to cover these risks.

Pursuant to an inter-local agreement authorized by state statute, the Town joined the Colorado Intergovernmental Risk Sharing Agency ("CIRSA") to provide insurance coverage. Members of the board of directors are nominated and elected by members to two-year, staggered terms and meet at least monthly to direct operations. CIRSA budgets are funded by contributions from member governments.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

V. Other Information (continued)

F. Risk Management (continued)

The Town's share of assets, liabilities and fund equity as of December 31, 2021, the latest date for which information is available, is as follows:

Insurance Pools:	<u>Fraser Share</u>
Property and Casualty Pool:	
Loss fund	\$ (1,453)
Operating	20,429
Pooled excess fund	(10,303)
Reserve fund	20,478
Workers' Compensation Pool:	
Loss fund	(3,200)
Operating	12,824
Pooled excess fund	11,805
Reserve fund	16,332

The December 31, 2021 combined financial information is as follows:

Cash and investments	\$ 85,609,779
Other assets	<u>8,563,951</u>
Total	<u><u>94,173,730</u></u>
Liabilities	35,750,846
Net position	<u>58,422,884</u>
Total	<u><u>94,173,730</u></u>
Total revenue	33,496,772
Total expense	<u>(24,091,402)</u>
(Deficiency) of Revenue	
Over Expense	<u><u>9,405,370</u></u>

Coverage provided by CIRSA is as follows: 1) \$250,000 per claim/occurrence property; 2) \$1,000,000 per claim/occurrence liability; and 3) \$150,000 per claim/occurrence crime. CIRSA has also acquired additional excess coverage from outside sources. The Town may be liable for any losses in excess of the above coverage. At December 31, 2021, the Town does not expect to incur losses in excess of the above coverage.

Surpluses or deficits for any year are subject to change for reasons which include: interest earnings on invested amounts for those years and funds, re-estimation of losses for those years and funds, and credits or distributions from surplus for those years and funds.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

V. Other Information (continued)

G. Related Party Transactions

During 2021, a third-party vendor controlled by the son of a Town Council member for the Town of Fraser provided road construction services totaling \$15,894.

H. Tax Abatements

1. Fraser Still Project

The Town has entered into an Agreement for Certain Economic Inducements and Incentives in order to meet development goals within certain areas of the Town. According to the agreement, the development area Fraser Still Project has the following continuing development requirements or abatement agreements requiring disclosure:

<u>Revenues impacted</u>	<u>Amount</u>	<u>Requirements</u>
Permit and Review Fees	Rebate of \$1,000 per square foot of new usable commercial space constructed	Paid to the owner
Sales tax	100% for five years from date of CO issuance, 50% of sales tax for 5 additional years thereafter	Paid to the owner
Use Tax	100% of the building and construction use tax	Waived
Ad valorem real and personal property taxes	100% for the tax year preceding the date of CO issuance and four years thereafter	Paid to the owner
Plant investment fees	Due in three annual installments without interest, 1 year after the date of CO issuance	Paid to the Town
Service fees	Waived until the earlier of issuance of CO, or June 6, 2020	Waived

In exchange to the above tax abatements, the owner agrees to develop and run a distillery business on the property. During the year ended December 31, 2021, the Town reimbursed Sales Tax of \$31,788 to the Youngs Real Estate CO LLC, owners of Fraser Valley Distilling. The Town also deferred Plant Investment Fees of \$10,133. Service Fees are no longer waived per the agreement.

Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

V. Other Information (continued)

H. Tax Abatements (continued)

2. Watt Investments, LLP

The Town has entered into an Agreement for Certain Economic Inducements and Incentives in order to meet development goals within certain areas of the Town. According to the agreement, the development area Vicious Cycle has the following continuing development requirements or abatement agreements requiring disclosure:

<u>Revenues impacted</u>	<u>Amount</u>	<u>Requirements</u>
Permit and Review Fees	Rebate of \$1,000 per square foot of new usable commercial space constructed	Paid to the owner
Sales tax	100% for five years from date of CO issuance, 50% of sales tax for 5 additional years thereafter	Paid to the owner
Use Tax	100% of the building and construction use tax	Waived
Ad valorem real and personal property taxes	100% for the tax year preceding the date of CO issuance and four years thereafter	Paid to the owner
Plant investment fees	Due in three annual installments without interest, 1 year after the date of CO issuance	Paid to the Town
Service fees	Waived until the earlier of issuance of CO, or October 9, 2022	Waived

In exchange to the above tax abatements, the owner agrees to develop and run a retail business on the property. During the year ended December 31, 2021, the Town still owes the Permit and Review Fees of \$4,717 to Watt Investments LLP, owners of Vicious Cycle Brewing. Vicious Cycle Brewing is still in the building phase so reimbursement of Sales Tax has not occurred. The Town also waived Service Fees of \$767. Plant Investment Fees of \$30,400 is still deferred.

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Town of Fraser
Notes to the Financial Statements
December 31, 2021
(Continued)

V. Other Information (continued)

H. Tax Abatements (continued)

3. Grand Park

The Town has entered into an Agreement for Certain Economic Inducements and Incentives in order to meet development goals within certain areas of the Town. According to the agreement, the development area Village at Grand Park has the following continuing development requirements or abatement agreements requiring disclosure:

<u>Revenues impacted</u>	<u>Amount</u>	<u>Requirements</u>
Permit and Review Fees	Rebate of \$1,000 per square foot of new usable commercial space constructed	Paid to the owner
Sales tax	100% for five years from date of CO issuance, 50% of sales tax for 5 additional years thereafter	Paid to the owner
Use Tax	100% of the building and construction use tax	Waived
Ad valorem real and personal property taxes	100% for the tax year preceding the date of CO issuance and four years thereafter	Paid to the owner
Plant investment fees	Due in three annual installments without interest, 1 year after the date of CO issuance	Paid to the Town
Service fees	Waived until the earlier of issuance of CO, or June 7, 2020	Waived

In exchange to the above tax abatements, the owner agrees to develop and run a retail business on the property. During the year ended December 31, 2021, the Town still owes the Permit and Review Fees of \$40,321 to Grand Park, owners of Village at Grand Park. The Village at Grand Park buildings are still in the building phase so reimbursement of Sales Tax has not occurred. Plant Investment Fees of \$60,800 is still deferred. Service Fees are no longer waived per the agreement.

4. Prepaid Plant Investment Fees

The Town also entered into annexation agreements with two developers that provided for the use of Plant Investment Fees to fund water system capital improvements within the developments. The agreements essentially provide that the Town will not retain Plant Investment Fees paid by building permit applicants within these developments until such time as the total Plant Investment Fees paid exceeds the certified costs of regional water capital improvements within the developments. Currently the developers have certified water regional infrastructure improvements totaling \$6,266,976 and a total of \$5,039,504 of Plant Investment Fees have been rebated to the developers. The Plant Investment fees from Rendezvous Residential Metro District have been reimbursed in full as of July 23, 2020. The remaining balance is to be rebated to Byers View Metro District.

The above agreements were authorized by the Town Board after analyzing criteria that includes the ability to encourage development within the specific abatement area.

REQUIRED SUPPLEMENTARY INFORMATION



Town of Fraser, Colorado
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for 2020)

	2021		Variance Positive (Negative)	2020
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes	3,339,700	5,561,047	2,221,347	4,509,408
Licenses and fees	135,000	285,903	150,903	253,501
Charges for services	50,000	152,385	102,385	159,139
Intergovernmental	735,000	303,394	(431,606)	640,973
Interest	35,000	3,324	(31,676)	33,214
Other revenue	187,500	182,006	(5,494)	280,221
Total Revenues	4,482,200	6,488,059	2,005,859	5,876,456
Expenditures:				
General government	2,413,953	1,802,766	611,187	1,386,431
Public safety	650,000	587,763	62,237	619,683
Public works	2,370,425	1,947,808	422,617	1,925,780
Culture and recreation	1,282,472	30,866	1,251,606	14,863
Total Expenditures	6,716,850	4,369,203	2,347,647	3,946,757
Excess (Deficiency) of Revenues Over Expenditures	(2,234,650)	2,118,856	4,353,506	1,929,699
Other Financing Sources (Uses):				
Transfer in	16,379	-	(16,379)	-
Transfer (out)	(585,500)	(110,000)	475,500	(60,000)
Total Other Financing (Uses)	(569,121)	(110,000)	459,121	(60,000)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	(2,803,771)	2,008,856	4,812,627	1,869,699
Fund Balances - Beginning of Year	2,835,060	6,520,545	3,685,485	4,650,846
Fund Balances - End of Year	31,289	8,529,401	8,498,112	6,520,545

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

Town of Fraser, Colorado
General Fund
Schedule of Revenues
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for 2020)

	2021		Variance Positive (Negative)	2020
	Original and Final Budget	Actual		Actual
Taxes:				
Property	350,000	352,469	2,469	334,794
Specific ownership	12,000	27,175	15,175	24,947
Sales & use	2,915,000	5,043,411	2,128,411	4,073,271
Franchise	55,000	130,862	75,862	69,491
Motor vehicle	4,500	-	(4,500)	-
Cigarette	3,200	7,130	3,930	6,905
Total	3,339,700	5,561,047	2,221,347	4,509,408
Licenses and Fees:				
Business license fees	15,000	13,960	(1,040)	15,783
Regulated Industry fees	120,000	271,943	151,943	237,718
Total	135,000	285,903	150,903	253,501
Charges for services:				
Planning and building fees	40,000	121,205	81,205	78,587
Disposable bag fees	10,000	31,180	21,180	18,478
Other charges	-	-	-	62,074
Total	50,000	152,385	102,385	159,139
Intergovernmental:				
Grant revenue	735,000	303,394	(431,606)	640,973
Total	735,000	303,394	(431,606)	640,973
Interest:				
Earnings on deposits	35,000	3,324	(31,676)	33,214
Total	35,000	3,324	(31,676)	33,214
Other:				
Other income	175,500	174,587	(913)	269,836
Rents	12,000	7,419	(4,581)	10,385
Total	187,500	182,006	(5,494)	280,221
Other Financing Sources:				
Transfer in	16,379	-	(16,379)	-
Total	16,379	-	(16,379)	-
Total Revenues	4,498,579	6,488,059	1,989,480	5,876,456

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

Town of Fraser, Colorado
General Fund
Schedule of Expenditures and Transfers
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for 2020)

	2021		Variance Positive (Negative)	2020
	Original and Final Budget	Actual		Actual
General Government:				
Town board salaries	60,325	48,469	11,856	46,144
Town board community enhancement	975,250	317,323	657,927	381,609
Miscellaneous	10,500	12,349	(1,849)	7,935
Administrative salaries	667,200	657,571	9,629	477,046
Other purchased services	602,278	624,785	(22,507)	395,302
Utilities	17,400	20,542	(3,142)	18,247
Property management	81,000	46,502	34,498	73,755
Fiscal agent salaries	-	37,425	(37,425)	(13,607)
Capital outlay	-	37,800	(37,800)	-
Total General Government	2,413,953	1,802,766	611,187	1,386,431
Public Safety	650,000	587,763	62,237	619,683
Total Public Safety	650,000	587,763	62,237	619,683
Public Works				
Salaries and benefits	1,050,850	728,505	322,345	925,663
Other purchased services	419,575	323,355	96,220	339,613
Utilities	9,000	9,145	(145)	8,479
Property management	60,500	117,871	(57,371)	39,443
Capital outlay	830,500	768,932	61,568	612,582
Total Public Works	2,370,425	1,947,808	422,617	1,925,780
Culture and Recreation				
Salaries and benefits	1,260,000	12,470	1,247,530	770
Other purchased services	15,000	15,439	(439)	11,790
Utilities	2,472	2,424	48	2,183
Property management	5,000	533	4,467	120
Total Culture and Recreation	1,282,472	30,866	1,251,606	14,863
Other Financing Uses				
Transfer out	585,500	110,000	475,500	60,000
Total Financing Sources	585,500	110,000	475,500	60,000
Total Expenditures	7,302,350	4,479,203	2,823,147	4,006,757

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

Town of Fraser, Colorado
Special Revenue Fund
Conservation Trust Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for 2020)

	<u>2021</u>			<u>2020</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Lottery proceeds	6,800	8,107	1,307	6,738
Interest	75	11	(64)	107
Total Revenues	<u>6,875</u>	<u>8,118</u>	<u>1,243</u>	<u>6,845</u>
Other Financing Uses				
Transfer (Out)	(10,000)	-	10,000	-
Total Financing Sources	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,125)	8,118	11,243	6,845
Fund Balances - Beginning of Year	<u>20,637</u>	<u>20,608</u>	<u>(29)</u>	<u>13,763</u>
Fund Balances - End of Year	<u><u>17,512</u></u>	<u><u>28,726</u></u>	<u><u>11,214</u></u>	<u><u>20,608</u></u>

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

Town of Fraser, Colorado
Special Revenue Fund
Restricted Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for 2020)

	2021		Variance Positive (Negative)	2020
	Original and Final Budget	Actual		Actual
Revenues:				
Taxes	687,500	1,078,117	390,617	936,728
Intergovernmental	11,000	21,460	10,460	11,000
Interest	500	256	(244)	1,257
Total Revenues	699,000	1,099,833	400,833	948,985
Expenditures:				
General government				
Transportation	680,000	570,290	109,710	518,215
Trails	55,000	69,927	(14,927)	51,525
Total Expenditures	735,000	640,217	94,783	569,740
Excess (Deficiency) of Revenues Over Expenditures	(36,000)	459,616	495,616	379,245
Fund Balances - Beginning of Year	38,838	537,577	498,739	158,332
Fund Balances - End of Year	2,838	997,193	994,355	537,577

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

SUPPLEMENTARY INFORMATION



Town of Fraser, Colorado
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for 2020)

	<u>2021</u>		<u>Variance Positive (Negative)</u>	<u>2020</u>
	<u>Original and Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Revenues:				
Interest	1,000	17	(983)	254
Total Revenues	<u>1,000</u>	<u>17</u>	<u>(983)</u>	<u>254</u>
Excess (Deficiency) of Revenues Over Expenditures	1,000	17	(983)	254
Fund Balances - Beginning of Year	<u>2,573</u>	<u>35,521</u>	<u>32,948</u>	<u>35,267</u>
Fund Balances - End of Year	<u><u>3,573</u></u>	<u><u>35,538</u></u>	<u><u>31,965</u></u>	<u><u>35,521</u></u>

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

Town of Fraser, Colorado
Capital Equipment Replacement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for 2020)

	<u>2021</u>		<u>2020</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
			<u>Actual</u>
Revenues:			
Highway users revenue	47,394	58,884	11,490
Earnings on investments	2,500	92	(2,408)
Total Revenues	<u>49,894</u>	<u>58,976</u>	<u>9,082</u>
Expenditures:			
Capital lease	115,000	106,496	8,504
Equipment	260,000	53,873	206,127
Total Expenditures	<u>375,000</u>	<u>160,369</u>	<u>214,631</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(325,106)</u>	<u>(101,393)</u>	<u>223,713</u>
Other Financing Sources:			
Transfer In	200,000	200,000	-
Sale of assets	-	8,730	8,730
Total Other Financing Sources	<u>200,000</u>	<u>208,730</u>	<u>8,730</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	<u>(125,106)</u>	<u>107,337</u>	<u>232,443</u>
Fund Balances - Beginning of Year	<u>139,839</u>	<u>205,695</u>	<u>65,856</u>
Fund Balances - End of Year	<u>14,733</u>	<u>313,032</u>	<u>298,299</u>

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

Town of Fraser, Colorado
Enterprise Fund
Water Fund
Schedule of Revenues, Expenditures and Change in Net Position
Budget (Non-GAAP) Basis and Actual
With Reconciliation to GAAP Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for 2020)

	2021			2020
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Tap fees	7,700	586,365	578,665	182,389
User fees	1,102,000	1,118,075	16,075	1,077,517
Water meter fees	50,000	92,462	42,462	32,084
Interest income	6,000	953	(5,047)	9,341
Excavation permits	275	2,475	2,200	2,250
Other	2,500	3,912	1,412	3,844
Total Revenues	<u>1,168,475</u>	<u>1,804,242</u>	<u>635,767</u>	<u>1,307,425</u>
Expenditures:				
Personnel:				
Salaries	336,000	317,521	18,479	305,223
Retirement	15,000	16,499	(1,499)	14,501
Health insurance	80,000	62,852	17,148	67,048
Travel and training	9,000	1,822	7,178	3,185
Total	<u>440,000</u>	<u>398,694</u>	<u>41,306</u>	<u>389,957</u>
Commodities:				
Insurance	27,000	15,620	11,380	14,422
Supplies	108,000	80,202	27,798	56,192
System repair and maintenance	447,000	118,435	328,565	167,329
Testing	10,000	2,787	7,213	17,970
Telephone	10,000	11,582	(1,582)	11,298
Utilities	50,000	42,163	7,837	40,979
Miscellaneous	69,500	5,763	63,737	11,231
Total	<u>721,500</u>	<u>276,552</u>	<u>444,948</u>	<u>319,421</u>
Contractual:				
Legal	65,000	55,381	9,619	77,298
Engineering	100,000	104,986	(4,986)	46,427
Other professional services	60,500	4,604	55,896	8,613
Professional memberships	9,500	5,542	3,958	5,814
Total	<u>235,000</u>	<u>170,513</u>	<u>64,487</u>	<u>138,152</u>
Other:				
Transfer to Other Fund	52,700	45,000	7,700	-
Capital projects and purchases	425,000	-	425,000	-
Water rights	45,000	10,104	34,896	10,182
Total	<u>522,700</u>	<u>55,104</u>	<u>467,596</u>	<u>10,182</u>
Total Expenditures	<u>1,919,200</u>	<u>900,863</u>	<u>1,018,337</u>	<u>857,712</u>
Excess (Deficiency) of Revenues Over Expenses (Budget Basis)	<u>(750,725)</u>	903,379	<u>1,654,104</u>	449,713
Reconciliation from Budget Basis to GAAP Basis:				
Capitalized assets		6,500		73,734
Depreciation		(397,430)		(396,586)
Excess (Deficiency) of Revenues Over Expenses (GAAP Basis)		<u>512,449</u>		<u>126,861</u>
Net Position - Beginning of Year		<u>11,404,593</u>		<u>11,277,732</u>
Net Position - End of Year		<u>11,917,042</u>		<u>11,404,593</u>

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

Town of Fraser, Colorado
Enterprise Fund
Wastewater Fund
Schedule of Revenues, Expenditures and Change in Net Position
Budget (Non-GAAP) Basis and Actual
With Reconciliation to GAAP Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for 2020)

	2021		Variance Positive (Negative)	2020
	Original and Final Budget	Actual		Actual
Revenues:				
Tap fees	300,000	796,875	496,875	180,000
User fees	991,000	902,465	(88,535)	864,769
Management fees	29,000	29,000	-	29,000
Interest income	18,500	3,084	(15,416)	50,972
Other	-	1,543	1,543	-
Total Revenues	<u>1,338,500</u>	<u>1,732,967</u>	<u>394,467</u>	<u>1,124,741</u>
Expenditures:				
Personnel:				
Salaries	353,000	336,963	16,037	308,333
Retirement	17,000	17,372	(372)	13,782
Health insurance	83,000	66,222	16,778	66,911
Travel and training	8,000	368	7,632	700
Total	<u>461,000</u>	<u>420,925</u>	<u>40,075</u>	<u>389,726</u>
Commodities:				
Insurance	7,000	10,137	(3,137)	9,027
Supplies	2,500	958	1,542	1,649
System repair and maintenance	455,500	420,083	35,417	854,243
Testing	1,000	-	1,000	-
Telephone	2,000	3,436	(1,436)	3,256
Miscellaneous	3,000	4,011	(1,011)	1,038
Total	<u>471,000</u>	<u>438,625</u>	<u>32,375</u>	<u>869,213</u>
Contractual:				
Legal	5,000	-	5,000	-
Engineering	20,000	-	20,000	82,690
Other professional services	312,500	274,989	37,511	246,338
Treasurer's and bank fees	100	-	100	-
Professional memberships	6,000	5,314	686	5,252
Total	<u>343,600</u>	<u>280,303</u>	<u>63,297</u>	<u>334,280</u>
Other:				
Transfer to Other Fund	845,000	45,000	800,000	-
Capital Reserve payments	-	-	-	982,034
Total	<u>845,000</u>	<u>45,000</u>	<u>800,000</u>	<u>982,034</u>
Total Expenditures	<u>2,120,600</u>	<u>1,184,853</u>	<u>935,747</u>	<u>2,575,253</u>
Excess (Deficiency) of Revenues Over Expenses (Budget Basis)	<u>(782,100)</u>	548,114	<u>1,330,214</u>	(1,450,512)
Reconciliation from Budget Basis to GAAP Basis:				
Capitalized assets		264,624		773,118
Depreciation		(548,999)		(446,229)
Capitalized capital reserve payments		-		982,034
Excess (Deficiency) of Revenues Over Expenses (GAAP Basis)		<u>263,739</u>		<u>(141,589)</u>
Net Position - Beginning of Year		<u>16,905,178</u>		<u>17,046,767</u>
Net Position - End of Year		<u>17,168,917</u>		<u>16,905,178</u>

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

Town of Fraser, Colorado
JF Operations and Maintenance
Schedule of Revenues & Expenses
Budget (Non-GAAP) Basis and Actual
With Reconciliation to GAAP Basis
For the Year Ended December 31, 2021
(With Comparative Actual Amounts for 2020)

	2021			Final Budget Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual		Actual
Revenues:					
JF operating charges	957,700	1,184,533	956,420	(228,113)	763,219
JF capital reserve contributions	-	-	-	-	2,882,400
Interest revenue	15,400	15,400	1,275	(14,125)	31,110
Other revenue	-	-	5,182	5,182	-
Transfer-In	-	38,502	27,277	(11,225)	-
Total Revenues	<u>973,100</u>	<u>1,238,435</u>	<u>990,154</u>	<u>(248,281)</u>	<u>3,676,729</u>
Expenses:					
Training programs	3,000	4,500	450	4,050	350
Travel, meals and lodging	3,000	4,500	-	4,500	-
Meals and entertainment	300	600	57	543	45
Professional fees	16,000	48,500	194,263	(145,763)	472,014
Engineering fees	10,000	12,500	4,242	8,258	5,125
Financial services	-	-	59	(59)	23
Sludge removal	70,000	77,000	71,829	5,171	59,495
Other professional services	10,000	14,000	7,881	6,119	2,590
Insurance	45,000	55,000	37,199	17,801	36,296
Advertising	1,000	1,100	44	1,056	-
Plant maintenance & repair	55,000	61,000	36,189	24,811	45,778
Grounds maintenance	1,000	2,000	669	1,331	1,272
Equipment rental	500	1,000	85	915	268
Professional memberships	600	900	216	684	180
Operating supplies	60,000	111,300	117,839	(6,539)	27,509
Equipment purchase and repair	20,000	32,000	21,023	10,977	17,525
Testing	55,000	73,000	70,382	2,618	61,718
Permits	10,000	15,000	-	15,000	-
Utilities	186,800	213,600	220,042	(6,442)	182,569
Vehicles	8,000	8,000	12,007	(4,007)	3,861
Miscellaneous	2,000	2,500	3,625	(1,125)	500
Capital projects	1,035,000	1,035,500	785,789	249,711	4,734,412
Lease purchase - interest	-	-	-	-	-
Payroll expenses	400,500	484,535	323,706	160,829	304,626
Total Expenses	<u>1,992,700</u>	<u>2,258,035</u>	<u>1,907,596</u>	<u>350,439</u>	<u>5,956,156</u>
Excess (Deficiency) of Revenues Over Expenses (Budget Basis)	<u>(1,019,600)</u>	<u>(1,019,600)</u>	<u>(917,442)</u>	<u>102,158</u>	<u>(2,279,427)</u>
Reconciliation from Budget Basis to GAAP Basis:					
Capital reserve reduced by capital expenses			923,899		5,192,938
Capital reserve increased by contributions			-		(2,882,401)
Capital reserve increased by interest income			(1,178)		(31,110)
Capital reserve increased by other income			(5,182)		-
Operating reserve increased by interest income			(97)		-
Proceeds from sale of asset to gain or loss on sale			-		-
Excess (Deficiency) of Revenues Over Expenses (GAAP Basis)			<u>-</u>		<u>-</u>

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

LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Fraser, Colorado
	YEAR ENDING : December 2021

This Information From The Records Of (example - City of _ or County of _) Town of Fraser, Colorado	Prepared By: Phone:	Rob Clemens 970-531-9938
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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)	744,441
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	302,139
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	15,668
2. General fund appropriations	1,006,158	b. Snow and ice removal	474,791
3. Other local imposts (from page 2)	1,164,867	c. Other	0
4. Miscellaneous local receipts (from page 2)	92	d. Total (a. through c.)	490,459
5. Transfers from toll facilities	0	4. General administration & miscellaneous	86,326
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	641,636
a. Bonds - Original Issues	0	6. Total (1 through 5)	2,265,001
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	2,171,117	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	93,884	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	2,265,001	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities	0
		E. Total disbursements (A.6 + B.3 + C + D)	2,265,001

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	2,265,001	2,265,001	0	(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2021

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	352,469	a. Interest on investments	92
b. Other local imposts:		b. Traffic Fines & Penalties	0
1. Sales Taxes	54,280	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	730,943	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	27,175	g. Other Misc. Receipts	0
6. Total (1. through 5.)	812,398	h. Other	0
c. Total (a. + b.)	1,164,867	i. Total (a. through h.)	92
	(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	58,884	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	0	d. Federal Transit Admin	0
d. Other (Specify) - DOLA Grant	0	e. U.S. Corps of Engineers	0
e. Other (Specify)	35,000	f. Other Federal	0
f. Total (a. through e.)	35,000	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	93,884	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	100,000	0	100,000
b. Engineering Costs	5,770	38,950	44,720
c. Construction:			
(1). New Facilities	0	35,000	35,000
(2). Capacity Improvements	0	0	0
(3). System Preservation	0	564,721	564,721
(4). System Enhancement & Operation	0	0	0
(5). Total Construction (1) + (2) + (3) + (4)	0	599,721	599,721
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	105,770	638,671	744,441
			(Carry forward to page 1)

Notes and Comments: