

TOWN OF GRANADA, COLORADO

FINANCIAL STATEMENTS

Year Ended December 31, 2022

TOWN OF GRANADA, COLORADO

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Independent Auditor's Report

HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

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Independent Auditor's Report

To the Mayor and Board of Trustees
Town of Granada, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Granada as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of Granada's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Granada, as of December 31, 2022, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of Granada's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Granada'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 of Granada'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

Management has elected to omit the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pension schedules on pages 28 - 37 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.

The Required Supplementary Information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules and pension schedules on pages 28 – 37 are fairly stated in all material respects in relation to the 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 of Granada's basic financial statements. The budgetary comparison schedules of Water and Electric Proprietary Funds, as well as the Local Highway Finance Report, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules of Water and Electric Proprietary Funds, and the Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hamblin and Associates, LLC

Golden, Colorado
November 13, 2023

Basic Financial Statements

TOWN OF GRANADA, COLORADO

STATEMENT OF NET POSITION

December 31, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 262,665	\$ 450,310	\$ 712,975
Accounts receivable	6,478	56,412	62,890
Property taxes receivable	12,725	-	12,725
TOTAL CURRENT ASSETS	281,868	506,722	788,590
NET CAPITAL ASSETS	612,252	1,885,384	2,497,636
OTHER ASSETS			
Net pension asset	56,536	-	56,536
Restricted cash	17,189	196,197	213,386
TOTAL ASSETS	967,845	2,588,303	3,556,148
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows because of pensions	(4,596)	-	(4,596)
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	18,648	58,455	77,103
Customer deposits	-	2,566	2,566
Current portion of long-term debt	-	12,857	12,857
TOTAL CURRENT LIABILITIES	18,648	73,878	92,526
LONG-TERM LIABILITIES			
Notes payable	-	309,960	309,960
Landfill costs	667	-	667
TOTAL LONG-TERM LIABILITIES	667	309,960	310,627
TOTAL LIABILITIES	19,315	383,838	403,153
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	12,725	-	12,725
NET POSITION			
Net investment in capital assets	612,252	1,562,567	2,174,819
Restricted	17,189	-	17,189
Unrestricted	301,767	641,898	943,665
TOTAL NET POSITION	\$ 931,208	\$ 2,204,465	\$ 3,135,673

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

TOWN OF GRANADA, COLORADO
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENT ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
Governmental Activities							
General government	\$ 120,440	\$ 8,394	\$ 74,320	0	\$ (37,726)	\$ -	\$ (37,726)
Public safety	164,992	51,633	9,301	-	(104,058)	-	(104,058)
Public works	46,147	-	-	-	(46,147)	-	(46,147)
Culture, parks and recreation	28,657	-	-	-	(28,657)	-	(28,657)
TOTAL GOVERNMENT ACTIVITIES	360,236	60,027	83,621	-	(216,588)	-	(216,588)
Business-type activities	578,380	585,153	859,692	-	-	866,465	866,465
TOTAL PRIMARY GOVERNMENT	\$ 938,616	\$ 645,180	\$ 943,313	\$ -	(216,588)	866,465	649,877
GENERAL REVENUES							
Taxes					123,631	-	123,631
Intergovernmental income					36,064	-	36,064
Licenses and permits					12,377	-	12,377
Fines and forfeitures					13,376	-	13,376
Other income					41	9,939	9,980
TOTAL GENERAL REVENUES					185,489	9,939	195,428
CHANGE IN NET POSITION					(31,099)	876,404	845,305
NET POSITION - Beginning of Year					962,307	1,328,061	2,290,368
NET POSITION - End of Year					\$ 931,208	\$ 2,204,465	\$ 3,135,673

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

TOWN OF GRANADA, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2022

	GENERAL	CONSERVATION TRUST	ROAD & BRIDGE	VICTIMS' ASSISTANCE	CAPITAL IMPROVEMENT	AMACHE PROJECT	LANDFILL	FLOOD LEVEE	TOTALS
ASSETS									
Cash and investments	\$ 55,213	\$ 11,704	\$ 2,738	\$ 60,625	\$ 8,589	\$ 2,064	\$ 79,002	\$ 59,919	\$ 279,854
Accounts receivable	-	-	-	-	-	-	5,882	596	6,478
Property taxes receivable	10,780	-	-	-	1,945	-	-	-	12,725
Due from other funds	-	-	1,415	-	-	-	-	-	1,415
TOTAL ASSETS	65,993	11,704	4,153	60,625	10,534	2,064	84,884	60,515	300,472
LIABILITIES									
Accounts payable	12,567	9	-	4,328	-	-	1,744	-	18,648
Due to other funds	1,415	-	-	-	-	-	-	-	1,415
TOTAL LIABILITIES	13,982	9	-	4,328	-	-	1,744	-	20,063
DEFERRED INFLOWS OF RESOURCES									
Unavailable property taxes	10,780	-	-	-	1,945	-	-	-	12,725
FUND BALANCES									
Restricted for:									
TABOR emergencies	8,600	-	-	-	300	-	-	-	8,900
Capital improvements	-	-	-	-	8,289	-	-	-	8,289
Committed	-	11,695	4,153	56,297	-	2,064	83,140	60,515	217,864
Unassigned	32,631	-	-	-	-	-	-	-	32,631
TOTAL FUND BALANCES	41,231	11,695	4,153	56,297	8,589	2,064	83,140	60,515	267,684
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 65,993	\$ 11,704	\$ 4,153	\$ 60,625	\$ 10,534	\$ 2,064	\$ 84,884	\$ 60,515	\$ 300,472
TOTAL FUND BALANCE - GOVERNMENTAL FUNDS									\$ 267,684
Capital assets used in governmental activities are not resources and are not reported in the funds:									
Capital assets									817,973
Accumulated depreciation									(205,721)
Pension assets and deferred outflows are not current, therefore are not reported in the funds:									
Net pension asset									56,536
Deferred outflows of resource because of pensions									(4,596)
Long-term liabilities are not due and payable in the current period and not reported in governmental funds:									
Due after one year - Landfill									(667)
TOTAL NET POSITION- GOVERNMENTAL ACTIVITIES									\$ 931,208

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

TOWN OF GRANADA, COLORADO

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2022

	GENERAL	CONSERVATION TRUST	ROAD & BRIDGE	VICTIMS' ASSISTANCE	CAPITAL IMPROVEMENT	AMACHE PROJECT	LANDFILL	FLOOD LEVEE	TOTALS
REVENUES									
Taxes	\$ 119,907	\$ -	\$ 1,441	\$ -	\$ 2,283	\$ -	\$ -	\$ -	\$ 123,631
Intergovernmental	30,373	5,691	-	-	-	-	-	-	36,064
Licenses and permits	12,377	-	-	-	-	-	-	-	12,377
Fees for service	8,394	-	-	-	-	-	4,469	4,469	60,027
Fines and forfeitures	7,986	-	-	5,390	-	-	-	-	13,376
Grants	74,320	-	-	9,301	-	-	-	-	83,621
Other revenue	-	-	7	29	-	-	5	-	41
TOTAL REVENUES	253,357	5,691	1,448	14,720	2,283	-	47,169	4,469	329,137
EXPENDITURES									
General government	73,367	-	-	9,424	9,500	-	25,816	-	118,107
Public safety	165,027	-	-	-	-	-	-	-	165,027
Public works	44,647	-	-	-	-	-	-	-	44,647
Culture and recreation	1,607	9,532	-	-	-	-	-	-	11,139
Capital outlay	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	284,648	9,532	-	9,424	9,500	-	25,816	-	338,920
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(31,291)	(3,841)	1,448	5,296	(7,217)	-	21,353	4,469	(9,783)
OTHER FINANCING SOURCES (USES)									
Transfers In (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(31,291)	(3,841)	1,448	5,296	(7,217)	-	21,353	4,469	(9,783)
FUND BALANCES, Beginning	72,522	15,536	2,705	51,001	15,806	2,064	61,787	56,046	277,467
FUND BALANCES, Ending	\$ 41,231	\$ 11,695	\$ 4,153	\$ 56,297	\$ 8,589	\$ 2,064	\$ 83,140	\$ 60,515	\$ 267,684
NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS									\$ (9,783)
Amounts reported for governmental activities in the statement of activities are different because:									
Changes in proportionate share of pension liability (asset) is not recorded in the funds.									(9,465)
Capital outlay is reported in governmental funds as expenditures, but in the statement of activities, the cost is allocated over their useful lives through depreciation.									9,500
Capital asset purchases									(21,351)
Depreciation expense									\$ (31,099)
Change in net position of governmental activities									

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

TOWN OF GRANADA, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2022

	WATER FUND	ELECTRIC FUND	TOTALS
ASSETS			
CURRENT ASSETS			
Cash and equivalents	\$ 31,470	\$ 418,840	\$ 450,310
Accounts receivable	13,556	42,856	56,412
TOTAL CURRENT ASSETS	45,026	461,696	506,722
CAPITAL ASSETS, NET	1,607,888	277,496	1,885,384
OTHER ASSETS			
Restricted cash	14,889	181,308	196,197
TOTAL ASSETS	\$ 1,667,803	\$ 920,500	\$ 2,588,303
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	12,152	46,303	\$ 58,455
Customer deposits	-	2,566	2,566
Current portion of long-term liabilities	12,857	-	12,857
TOTAL CURRENT LIABILITIES	25,009	48,869	73,878
LONG-TERM LIABILITIES			
Notes payable	309,960	-	309,960
TOTAL LIABILITIES	334,969	48,869	383,838
NET POSITION			
Net investment in capital assets	1,285,071	277,496	1,562,567
Unrestricted	47,763	594,135	641,898
TOTAL NET POSITION	\$ 1,332,834	\$ 871,631	\$ 2,204,465

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

TOWN OF GRANADA, COLORADO

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS**

For the Year Ended December 31, 2022

	WATER FUND	ELECTRIC FUND	TOTALS
OPERATING REVENUES			
Charges for services	\$ 119,260	\$ 465,893	\$ 585,153
TOTAL OPERATING REVENUES	119,260	474,545	593,805
OPERATING EXPENSES			
Personnel expenses	56,370	43,600	99,970
Contractual services	55,116	18,885	74,001
Liability insurance	-	-	-
Purchased power	-	323,623	323,623
Materials and supplies	8,922	4,945	13,867
Depreciation	29,470	21,674	51,144
TOTAL OPERATING EXPENSES	149,878	412,727	562,605
OPERATING INCOME (LOSS)	(30,618)	61,818	31,200
NON-OPERATING REVENUES (EXPENSES)			
Grants	859,692	-	859,692
Interest revenue	306	981	1,287
Interest expense	(15,775)	-	(15,775)
NET NON-OPERATING REVENUES (EXPENSES)	844,223	981	845,204
NET INCOME (LOSS)	813,605	62,799	876,404
NET POSITION - Beginning	519,229	808,832	1,328,061
NET POSITION - Ending	\$ 1,332,834	\$ 871,631	\$ 2,204,465

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

TOWN OF GRANADA, COLORADO

**STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS**

For the Year Ended December 31, 2022

	<u>WATER FUND</u>	<u>ELECTRIC FUND</u>	<u>TOTALS</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 114,119	\$ 464,263	\$ 578,382
Cash paid to suppliers and employees	<u>(121,320)</u>	<u>(367,172)</u>	<u>(488,492)</u>
Net cash provided by operating activities	<u>(7,201)</u>	<u>97,091</u>	<u>89,890</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital asset additions	(849,641)	-	(849,641)
Grants	859,692	-	859,692
Principal retired	(12,265)	-	(12,265)
Interest paid	<u>(15,775)</u>	<u>-</u>	<u>(15,775)</u>
Net cash provided (used) by capital and related financing activities	<u>(17,989)</u>	<u>-</u>	<u>(17,989)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	306	981	1,287
Net Cash From (Used by) Investing Activities	<u>306</u>	<u>981</u>	<u>1,287</u>
Net increase (decrease) in cash and cash equivalents	(24,884)	98,072	73,188
CASH, BEGINNING	<u>56,354</u>	<u>320,768</u>	<u>377,122</u>
CASH, ENDING	<u><u>\$ 31,470</u></u>	<u><u>\$ 418,840</u></u>	<u><u>\$ 450,310</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (30,618)	\$ 61,818	\$ 31,200
ADJUSTMENTS			
Depreciation expense	29,470	21,674	51,144
Changes in assets and liabilities:			
Accounts receivable	(5,103)	(11,128)	(16,231)
Accounts payable	(912)	(5,322)	(6,234)
Customer deposits	<u>(38)</u>	<u>846</u>	<u>808</u>
Total adjustments	<u>23,417</u>	<u>35,273</u>	<u>58,690</u>
Net Cash Provided by Operating Activities	<u><u>\$ (7,201)</u></u>	<u><u>\$ 97,091</u></u>	<u><u>\$ 89,890</u></u>

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

TOWN OF GRANADA, COLORADO

STATEMENT OF NET POSITION
FIDUCIARY FUND TYPE

December 31, 2022

	<u>Volunteer Firemen's Pension</u>
ASSETS	
Cash and investments	<u>6,329</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Pension benefits payable	6,329
NET POSITION	
Unrestricted	<u>-</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 6,329</u>

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

TOWN OF GRANADA, COLORADO
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND TYPES

For the Year Ended December 31, 2022

	<u>Volunteer Firemen's Pension</u>
REVENUES	
Investment income	\$ 25
NET POSITION, Beginning	<u>21,304</u>
NET POSITION, Ending	<u><u>\$ 21,329</u></u>

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

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Town of Granada (the Town) conform to generally accepted accounting principles as applied to governmental units. A summary of the more significant policies follows.

A. Reporting Entity

In accordance with Governmental Accounting Standards, the Town has considered the possibility of inclusion of additional entities in its basic financial statements. The definition of the reporting entity is based on financial accountability. The Town is financially accountable for organizations that make up its legal entity. The Town is also financially accountable for legally separate organizations if Town officials can appoint a voting majority of the organization's governing body and the Town has the ability to impose its will on that organization such that there is a potential for benefits or financial burdens to accrue to the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on these criteria, no other entities are included in the Town's basic financial statements.

B. Basis of Presentation - Fund Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Governmental Fund Types These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General Fund - This fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Conservation Trust Fund receives State Lottery Proceeds. The monies are used for recreation and parks.

Road & Bridge Fund receives monies from Prowers County for the Town's portion of these State revenues. The monies are used for road repairs.

Victims' Assistance Fund receives revenues from surcharges on fines and forfeitures. The monies are used to assist victims of crimes.

Capital Improvements Fund receives 1.634 mills of levied property taxes for the purpose of general capital improvements.

Amache Project Fund receives historic landmark funding for the restoration of Camp Amache.

Landfill Fund accounts for operation of the Town's Landfill.

Levee Fund accounts for revenues and expenses associated with the local flood levee.

Proprietary Fund Types These funds account for operations that are organized to be self-supporting through user charges. The funds included in this category are the Enterprise Funds.

Enterprise Funds (Water and Electric Funds) - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Fund (Volunteer Firemen's Pension) - This fund is used to account for assets held in trust by the Town.

C. Measurement Focus and Basis of Accounting

Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include donations and grants. Revenue from donations and grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

D. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles (except for the enterprise fund which budgets on a non-GAAP basis). Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end. Budget amounts presented in the financial statements are as originally adopted by the Town Council.

The Town adheres to the procedures listed below in establishing the budgetary data reflected in the financial statements:

- Abstract of assessments reflecting all assessed values of property in the County is due from the County Assessor.
- Budgets are required by state law for all funds.
- Assessors are to certify to all taxing entities and the Division of Local Governments of the new total assessed valuation by September 15.
- Proposed budget to be submitted to the Town Council by September 15.
- The statutory deadline for certification of mill levies to the Board of County Commissioners is December 10th.
- Board of County Commissioners to levy all taxes and certify the levies by December 31.
- The budget is to be adopted by December 31, with a copy of the adopted budget sent to the Division of Local Governments within thirty days of adoption.
- On or before December 31, the Town Council shall enact an ordinance or resolution making appropriations for the ensuing fiscal year.
- Expenditures may not legally exceed appropriations at the fund level.
- The Town does not utilize encumbrance accounting.

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Fund Equity

Cash The Town maintains separate bank accounts for some funds, and has adopted pooled cash for most operations. Some cash equivalents are in interest-bearing accounts, comprised of savings accounts and money market accounts which are legally authorized. Cash applicable to a particular fund is readily identifiable in the accounting system. The balance in the cash accounts is available to meet current operating requirements.

Receivables All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Capital Assets Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life over one year and an initial cost over \$5,000.

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	40 years
Building and Other Improvements	20 years
Vehicles	7 years
Equipment	5 - 50 years

Deferred Inflows of Resources A deferred inflow of resources is defined as an acquisition of net position applicable to a future reporting period. The deferred revenues disclosed on the government-wide statement of net position represent property taxes which have been certified but not yet collected.

Net Position In the government-wide financial statements, a portion of net position is restricted when constraints placed on them are externally imposed. Fund balances of governmental funds classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments.

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

Fund balances In the governmental fund financial statements, the following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance – amounts that are not in spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders or other debt holders, contributors, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority through an ordinance or resolution. Committed fund balance can also include contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority.

Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

F. Revenues and Expenditures/Expenses

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, fees and non-tax revenues are recognized when received. The Town considers all revenues reported in the governmental funds to be available if they are received within sixty days after year end. Expenditures for governmental funds are recorded when the related liability is incurred.

Revenues and expenses of proprietary funds are recognized in essentially the same manner as in commercial accounting.

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

Property Tax Revenues are levied on December 15, based upon the assessed value of property as certified by the County Assessor on October 1. Assessed values are an approximation of market value. Under Colorado Law, all property taxes become due and payable on January 1, in the year following in which they are levied. Property taxes are recognized as revenue when payable to the County Treasurer. Property taxes levied in the current year for collection in a subsequent year are identified as property taxes receivable and deferred revenue at December 31, and are presented net of an estimated allowance for uncollectible taxes.

NOTE 2: CASH

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits. All deposits of the Town are insured or collateralized with securities held by the Town or for the Town.

At December 31, 2022 the Town's cash and investments were as follows:

	<u>Carrying Value</u>
Deposits	
Demand deposits	\$ 809,109
Investments	
Certificates of deposit	123,581
Total deposits and investments	<u>\$ 932,690</u>
Reconciliation to Statement of Net Position	
Current:	
Cash and investments	\$ 712,975
Restricted cash	213,386
Cash held as fiduciary	6,329
	<u>\$ 932,690</u>

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The allowed investments include local government investment pools and obligations of the United States Government.

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 2: CASH (Continued)

Custodial Risk Deposits in financial institutions, reported as cash, cash equivalents, and investments had a bank balance of \$1,012,877 at December 31, 2022, which was fully insured by depository insurance or secured with collateral held by the Town's agent in its name.

Interest Rate Risk The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State statutes limit maturities to a maximum of 5 years from date of acquisition.

Concentration of Credit Risk The Town places no limit on the amount which may be invested in any one issuer.

NOTE 3: CAPITAL ASSETS

Changes in capital assets for 2022 are summarized below.

	<u>Balance 1/1/2022</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance 12/31/2022</u>
Governmental activities:				
Assets not being depreciated				
Land	\$ 14,800	\$ -	\$ -	\$ 14,800
Construction in progress	541,740	-	541,740	-
Total assets not being depreciated	<u>556,540</u>	<u>-</u>	<u>541,740</u>	<u>14,800</u>
Assets being depreciated				
Buildings	126,552	-	-	126,552
Improvements	-	541,740	-	541,740
Vehicles	48,320	9,500	-	57,820
Equipment	77,061	-	-	77,061
Total assets being depreciated	<u>251,933</u>	<u>551,240</u>	<u>-</u>	<u>803,173</u>
Less: Accumulated depreciation				
Buildings	(77,884)	(2,783)	-	(80,668)
Improvements	-	(15,478)	-	(15,478)
Vehicles	(48,320)	-	-	(48,320)
Equipment	(58,166)	(3,089)	-	(61,255)
Total accumulated depreciation	<u>(184,370)</u>	<u>(21,351)</u>	<u>-</u>	<u>(205,721)</u>
Net capital assets - governmental activities	<u>\$ 624,103</u>	<u>\$ 529,889</u>	<u>\$ 541,740</u>	<u>\$ 612,252</u>

Depreciation was charged to the functions/programs of the Town as follows:

Governmental activities:	
General government	\$ 2,333
Public works	1,500
Culture, parks and recreation	17,518
	<u>\$ 21,351</u>

TOWN OF GRANADA
NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 3: CAPITAL ASSETS (Continued)

	Balance 1/1/2021	Additions	Adjustments	Balance 12/31/2022
Business-type activities:				
Assets not being depreciated				
Land	\$ 4,624	\$ -	\$ -	\$ 4,624
Construction in progress	-	849,641	-	849,641
Assets being depreciated				
Equipment	2,735,241	-	-	2,735,241
Total assets being depreciated	2,735,241	-	-	2,735,241
Less: Accumulated depreciation				
Equipment	(1,652,978)	(51,144)	-	(1,704,122)
Net capital assets - business-type activities	<u>\$ 1,086,887</u>	<u>\$ 798,497</u>	<u>\$ -</u>	<u>\$ 1,885,385</u>

Depreciation was charged to the functions/programs of the Town as follows:

Business-type activities:	
Water	\$ 29,470
Electric	21,674
	<u>\$ 51,144</u>

NOTE 4: LONG-TERM DEBT

Changes in long-term liabilities in 2022, are summarized below.

	Balance January 1, 2022	Additions	Retirements	Balance December 31, 2022	Current Portion
Governmental activities:					
Landfill closure costs	\$ 560	\$ -	\$ -	\$ 560	\$ -
Total governmental activities	<u>\$ 560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 560</u>	<u>\$ -</u>
Business-type activities:					
Water loan 2001	\$ 334,514	\$ -	\$ 11,702	\$ 322,812	\$ 12,857
Total business-type activities	<u>\$ 334,514</u>	<u>\$ -</u>	<u>\$ 11,702</u>	<u>\$ 322,812</u>	<u>\$ 12,857</u>

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 4: LONG-TERM DEBT (Continued)

In 2001, the Town issued a loan payable to the United States Department of Agriculture – Rural Development, which was used to fund water system improvements. The loan is due in semiannual installments, including interest at 4.75%, through 2039. Annual maturities are shown below.

<u>For the year ended</u> <u>December 31,</u>	Business-type activities Water loan 2001		
	Principal	Interest	Total
2023	\$ 12,857	\$ 17,386	\$ 30,243
2024	13,475	16,874	30,349
2025	14,123	16,338	30,460
2026	14,801	15,775	30,577
2027	15,513	15,183	30,696
2028-2032	89,492	66,029	155,521
2033-2037	113,168	46,407	159,575
2038-2039	49,383	16,319	65,702
	\$ 322,812	\$ 210,312	\$ 533,123

NOTE 5: PUBLIC ENTITY RISK POOL

The Town participates with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability and property coverage and to assist members in preventing and reducing losses and injuries to property and persons which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverage at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 5: PUBLIC ENTITY RISK POOL (Continued)

CIRSA is a separate legal entity and the Town does not approve budgets; nor does it have ability to significantly affect the operations of the unit.

The Town is not exposed to any significant risk of loss.

NOTE 6: PENSION PLANS

A. VOLUNTEER FIREMEN PENSION

The Town maintains certificates of deposit for a Volunteer Firemen's pension. The amounts are reported in the fiduciary fund financial statements, but are not considered assets of the Town and therefore are excluded from the Government-wide statements. The Town set up the fund and the Certificate of Deposits for a volunteer firemen's pension, but has not yet established the nature of the pension, requirements for further deposits, nor made any payouts. Until the Town establishes the nature of the pension, the funds are held in trust, accumulating interest.

B. POLICE PENSION: Statewide Hybrid Plan - Defined Benefit Component

Plan Description. The Statewide Hybrid Plan (SWH) is a cost-sharing multiple-employer defined benefit pension plan. The SWH is comprised of two components: Defined Benefit and Money Purchase. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). FPPA issues a publicly available comprehensive annual financial report can be obtained on FPPA's website at <http://www.fppaco.org>.

Description of Benefits. The Plan document states that any member may retire from further service and become eligible for a normal retirement pension at any time after age 55, if the member has at least 25 years of service.

The annual normal pension of the Defined Benefit Component is 1.5 percent of the average of the member's highest three years' base salary for each year of credited service. Benefits paid to retired members of the Defined Benefit Component are evaluated and may be re-determined annually on October 1. The amount of any increase is based on the Board's discretion and can range from 0 to 3 percent.

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 6: PENSION PLANS (Continued)

B. POLICE PENSION: Statewide Hybrid Plan - Defined Benefit Component
(Continued)

A member is eligible for early retirement at age 50 or after of 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, a member may elect to have all contributions, along with 5 percent as interest, returned as a lump sum distribution from the Defined Benefit Component. Alternatively, a member with at least five years of accredited service may leave contributions with the Defined Benefit Component of the Plan and remain eligible for a retirement pension at age 55 equal to 1.5 percent of the average of the member's highest three years' base salary for each year of credited service.

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. The members of the SWH plan and their employers are currently each contributing at the rate determined by the individual employer, however, the rate for both employer and members must be at least 8 percent of the member's base salary. The amount allocated to the Defined Benefit Component is set annually by the Fire & Police Pension Association Board of Directors. Excess contributions fund the Money Purchase Component of the Plan. The Defined Benefit Component contribution rate from July 1, 2019 through June 30, 2020 was 13.80 percent. The Defined Benefit Component contribution rate from July 1, 2018 through June 30, 2019 was 13.40 percent. Effective July 1, 2020, the Defined Benefit Component contribution rate is set at 13.80 percent. Effective July 1, 2021, the Defined Benefit Component contribution rates is set at 14.10 percent.

Within the Money Purchase Component, members are always fully vested in their own contributions, as well as the earnings on those contributions. Vesting in the employer's contributions within the Money Purchase Component, and earnings on those contributions occurs according to the vesting schedule set by the plan document at 20 percent per year after the first year of service to be 100 percent vested after 5 years of service. Employer and member contributions are invested in funds at the discretion of members.

Net Pension Asset. At December 31, 2022 the Town reported an asset of \$56,536 for its proportionate share of the net pension liability. (The Town reported an asset rather than a liability because the Plan's fiduciary net position currently exceeds the total pension liability.) The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The Town's proportion of the net pension liability was based on Town contributions to the plan for the calendar year 2021 relative to the total contributions of participating employers to the Plan.

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 6: PENSION PLANS (Continued)

B. POLICE PENSION: Statewide Hybrid Plan - Defined Benefit Component
(Continued)

For the plan year ended December 31, 2021, the Town recognized pension revenue of \$2,766 consisting of the following elements:

**Town's Proportionate Share of Collective Pension Expense for the Plan Year Ended
December 31, 2021**

Service Cost	\$ 3,644
Interest on the Total Pension Liability	10,347
Current-Period Benefit Changes	1,514
IRC 414(h)(2) Employer-paid Member Contributions	(1,566)
Member Purchases of Service Credit	(2,002)
Projected Earnings on Plan Investments	(14,414)
Pension Plan Administrative Expense	281
Other Changes in Plan Fiduciary Net Position	-
Recognition of Inflow of Resources due to Liabilities	6,539
Recognition of Outflow of Resources due to Assets	(7,109)
Total Pension Plan Expense	\$ (2,766)

At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,563	\$ 22,075
Changes of assumptions	1,917	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	(5,340)	-
Town contributions subsequent to the measurement date	3,480	-
Total	\$ 15,620	\$ 22,075

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 6: PENSION PLANS (Continued)

**B. POLICE PENSION: Statewide Hybrid Plan - Defined Benefit Component
(Continued)**

Town contributions subsequent to the measurement date of December 31, 2021 of \$3,480 which are reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31,			
	2022	\$	999
	2023		(1,866)
	2024		(2,486)
	2025		(1,664)
	2026		402
Thereafter			18
	<u>\$</u>		<u>(4,597)</u>

Actuarial Assumptions. The January 1, 2022 actuarial valuation was used to determine the Actuarially Determined Contribution for the plan year ending December 31, 2021. The valuation used the following actuarial assumption and other inputs:

Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Long-term Investment Rate of Return*	7.0%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.0%
*Includes Inflation at	2.5%

The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA, 40 percent multiplier for off-duty mortality is used in the valuation for off-duty mortality of active members. On-duty related mortality is assumed to be 0.00020 per year for all members. The RP-2000 Combined Mortality Table with Blue Collar Adjustment, projected with Scale AA is used in the projection of post-retirement benefits.

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 6: PENSION PLANS (Continued)

B. POLICE PENSION: Statewide Hybrid Plan - Defined Benefit Component
(Continued)

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the Fire & Police Pension Association's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future.

The assumption changes were effective for actuarial valuations beginning January 1, 2020. The actuarial assumptions impacted actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used. The date the new actuarial assumptions were effective for benefit purposes was December 31, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	39.0%	8.23%
Equity Long/Short	8.0%	6.87%
Illiquid Alternatives	26.0%	10.63%
Fixed Income	10.0%	4.01%
Absolute Return	5.0%	5.25%
Managed Futures	10.0%	5.60%
Cash	2.0%	2.32%
Total	100.0%	

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 6: PENSION PLANS (Continued)

B. POLICE PENSION: Statewide Hybrid Plan - Defined Benefit Component
(Continued)

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWH-Defined Benefit Component fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.65% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00%.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 6.00%	Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Town's Proportionate Share	\$ (59,473)	\$ (77,942)	\$ (93,363)

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in FPPA's comprehensive annual financial report which can be obtained at <http://www.fppaco.org>.

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

NOTE 7: COMMITMENTS AND CONTINGENCIES

A. Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and local growth. Revenue received in excess of the limitations may be required to be refunded unless the Town's electorate votes to retain the revenue.

During 1998, the Town's citizens passed a ballot issue allowing the Town to collect, retain, and spend all revenue sources received during the year ended December 31, 1997 and all subsequent years. The Tabor Amendment is subject to many interpretations, but the Town believes it is in substantial compliance with the Amendment.

To comply with the Taxpayer Bill of Rights Amendment, the Town has reserved fund balances for the General Fund and Capital Improvement Fund of \$8,600 and \$300, respectively.

NOTE 8: COMPLIANCE WITH STATE STATUTES

Expenditures in excess of budgeted amounts occurred in the following funds, which may be a violation of State Statutes: Water Fund \$867,332.

Required Supplementary Information

TOWN OF GRANADA, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended December 31, 2022

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Taxes	\$ 78,741	\$ 119,907	\$ 41,166
Intergovernmental	27,693	30,373	2,680
Licenses and permits	15,688	12,377	(3,311)
Fines and forfeiture	21,532	7,986	(13,546)
Other revenue	78,613	6,300	(72,313)
Rents and royalties	2,040	2,094	54
Grants	106,503	74,320	(32,183)
TOTAL REVENUES	<u>330,810</u>	<u>253,357</u>	<u>(77,453)</u>
EXPENDITURES			
General government	117,355	73,367	43,988
Public safety	157,897	165,027	(7,130)
Public works	43,029	44,647	(1,618)
Culture and recreation	67	1,607	(1,540)
TOTAL EXPENDITURES	<u>351,507</u>	<u>284,648</u>	<u>66,859</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(20,697)</u>	<u>(31,291)</u>	<u>(144,312)</u>
OTHER FINANCIAL SOURCES (USES)			
Transfers in	36,000	-	36,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCIAL SOURCES (USES)	<u>\$ 15,303</u>	<u>(31,291)</u>	<u>\$ (46,594)</u>
FUND BALANCE - Beginning		<u>72,522</u>	
FUND BALANCE - Ending		<u>\$ 41,231</u>	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO

BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND

For the Year Ended December 31, 2022

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Lottery proceeds	\$ 5,100	\$ 5,691	\$ 591
EXPENDITURES			
Culture and recreation			
Contractual services	6,000	8,901	14,901
Materials and supplies	100	631	731
Contingencies	14,878	-	14,878
TOTAL EXPENDITURES	<u>20,978</u>	<u>9,532</u>	<u>30,510</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (15,878)</u>	(3,841)	<u>\$ 12,037</u>
FUND BALANCE - Beginning		<u>15,536</u>	
FUND BALANCE - Ending		<u>\$ 11,695</u>	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO
BUDGETARY COMPARISON SCHEDULE
ROAD & BRIDGE FUND

For the Year Ended December 31, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Property tax	\$ 1,699	\$ 1,441	\$ (258)
Interest revenue	10	7	(3)
TOTAL REVENUES	1,709	1,448	(261)
EXPENDITURES			
Materials and supplies	1,000	-	1,000
Contingencies	3,756	-	3,756
TOTAL EXPENDITURES	4,756	-	4,756
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,047)	1,448	4,495
FUND BALANCE - Beginning		2,705	
FUND BALANCE - Ending		\$ 4,153	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO

BUDGETARY COMPARISON SCHEDULE
VICTIMS' ASSISTANCE FUND

For the Year Ended December 31, 2022

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Surcharges	\$ 7,500	\$ 5,390	\$ (2,110)
Grants	12,301	9,301	(3,000)
Interest	10	29	19
TOTAL REVENUES	<u>19,811</u>	<u>14,720</u>	<u>(5,091)</u>
EXPENDITURES			
Personnel expenses	9,301	9,301	-
Contractual services	6,025	29	5,996
Materials and supplies	500	94	406
Contingencies	55,858	-	55,858
TOTAL EXPENDITURES	<u>71,684</u>	<u>9,424</u>	<u>62,260</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u><u>\$ (51,873)</u></u>	5,296	<u><u>\$ 57,169</u></u>
FUND BALANCE - Beginning		<u>51,001</u>	
FUND BALANCE - Ending		<u><u>\$ 56,297</u></u>	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS

For the Year Ended December 31, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Property Taxes	\$ 2,200	\$ 2,283	\$ 83
TOTAL REVENUES	2,200	2,283	83
EXPENDITURES			
Capital outlay	8,000	9,500	(1,500)
Contingencies	10,936	-	10,936
TOTAL EXPENDITURES	18,936	9,500	9,436
EXCESS OF REVENUES OVER EXPENDITURES	\$ (16,736)	(7,217)	\$ 9,519
FUND BALANCE - Beginning		15,806	
FUND BALANCE - Ending		\$ 8,589	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO
BUDGETARY COMPARISON SCHEDULE
AMACHE PROJECT

For the Year Ended December 31, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Other revenue	\$ -	\$ -	\$ -
EXPENDITURES			
Contingencies	2,064	-	2,064
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (2,064)	-	\$ 2,064
FUND BALANCE - Beginning		2,064	
FUND BALANCE - Ending		\$ 2,064	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO

BUDGETARY COMPARISON SCHEDULE
LANDFILL FUND

For the Year Ended December 31, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Charges for services	\$ 43,961	\$ 47,164	\$ 3,203
Grants	10,366	-	(10,366)
Interest	-	5	
Total Revenues	54,327	47,169	(7,163)
EXPENDITURES			
Personal services	15,104	17,593	(2,489)
Contractual services	5,373	4,870	503
Materials and supplies	200	378	(178)
Grant expenses	12,366	2,975	9,391
Contingencies	92,803	-	92,803
Total Expenditures	125,846	25,816	100,030
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (71,519)	21,353	\$ 92,872
FUND BALANCE - Beginning		61,787	
FUND BALANCE - Ending		\$ 83,140	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO
BUDGETARY COMPARISON SCHEDULE
FLOOD LEVEE FUND

For the Year Ended December 31, 2022

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Maintenance fee	<u>\$ 4,446</u>	<u>\$ 4,469</u>	<u>\$ 23</u>
EXPENDITURES			
Contractual services	7,000	-	7,000
Contingencies	<u>46,168</u>	<u>-</u>	<u>46,168</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (41,722)</u>	4,469	<u>\$ 46,191</u>
FUND BALANCE - Beginning		<u>56,046</u>	
FUND BALANCE - Ending		<u>\$ 60,515</u>	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY/(ASSET)
FIRE AND POLICE PENSION ASSOCIATION OF COLORADO - STATEWIDE HYBRID PLAN
LAST TEN FISCAL YEARS*

Measurement period ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014	2013
Town's portion of the net pension asset	0.2055%	0.1881%	0.1575%	0.1560%	0.1552%	0.1835%	0.1802%	0.1917%	0.1834%
Town's proportionate share of the net pension liability (asset)	(56,536)	(51,740)	(30,679)	(21,531)	(30,345)	(19,974)	(18,980)	(22,735)	(18,710)
Town's covered payroll	42,172	34,596	34,596	31,140	29,664	29,664	29,664	29,664	29,664
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-134.1%	-149.6%	-88.7%	-69%	-102%	-67%	-64%	-77%	-63%
Plan fiduciary net position as a percentage of the total pension asset	138.8%	138.8%	138.8%	138.8%	138.8%	127.5%	129.4%	140.6%	139.0%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2013 data).

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO

SCHEDULE OF TOWN CONTRIBUTIONS
FIRE AND POLICE PENSION ASSOCIATION OF COLORADO - STATEWIDE HYBRID PLAN
 LAST TEN FISCAL YEARS*

Measurement period ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	3,480	3,195	2,514	2,486	2,373	2,373	2,373	2,373	2,373
Contributions in relation to the contractually required contribution	(3,480)	(3,195)	(2,514)	(2,486)	(2,373)	(2,373)	(2,373)	(2,373)	(2,373)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	42,172	34,596	34,596	31,140	29,664	29,664	29,664	29,664	29,664
Contributions as a percentage of covered payroll	8.3%	9.2%	7.3%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred one year prior. Information is only available beginning in fiscal year 2013 data.

See the accompanying Independent Auditor's Report.

Other Supplementary Information

TOWN OF GRANADA, COLORADO

WATER FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL

For the Year Ended December 31, 2022

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
OPERATING REVENUES			
Charges for services	\$ 136,000	119,260	\$ (16,740)
Miscellaneous	50	-	(50)
	<u>136,050</u>	<u>119,260</u>	<u>(16,790)</u>
TOTAL OPERATING REVENUES			
	<u>136,050</u>	<u>119,260</u>	<u>(16,790)</u>
OPERATING EXPENSES			
Personnel expenses	52,890	56,370	(3,480)
Contractual services	44,616	55,116	(10,500)
Materials and supplies	4,211	8,922	(4,711)
Capital outlay	1,000	849,641	(848,641)
Debt service-Principal	10,590	12,265	(1,675)
Debt service-Interest	17,450	15,775	1,675
	<u>130,757</u>	<u>998,089</u>	<u>(867,332)</u>
TOTAL OPERATING EXPENSES			
	<u>130,757</u>	<u>998,089</u>	<u>(867,332)</u>
NET OPERATING INCOME	<u>5,293</u>	<u>(878,829)</u>	<u>(884,122)</u>
NON-OPERATING REVENUE (EXPENSE)			
Grants	600,000	859,692	259,692
Interest revenue	850	268	(582)
Interest revenue - reserves	9	38	29
Transfers in (Out)	(18,000)	-	18,000
Contingencies	(769)	-	769
	<u>582,090</u>	<u>859,998</u>	<u>277,908</u>
NET NON-OPERATING REVENUES (EXPENSES)			
	<u>582,090</u>	<u>859,998</u>	<u>277,908</u>
NET INCOME (LOSS) - BUDGET BASIS	<u>\$ 587,383</u>	<u>(18,831)</u>	<u>\$ (606,214)</u>
GAAP BASIS ADJUSTMENTS			
Capital outlay		849,641	
Debt service principal		12,265	
Depreciation		<u>(29,470)</u>	
TOTAL GAAP BASIS ADJUSTMENTS		<u>832,436</u>	
NET INCOME (LOSS) - GAAP BASIS		813,605	
NET POSITION, Beginning of year		<u>519,229</u>	
NET POSITION, End of year		<u>\$ 1,332,834</u>	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO

ELECTRIC FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL

For the Year Ended December 31, 2022

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
OPERATING REVENUES			
Charges for services	\$ 606,296	\$ 465,893	\$ (140,403)
Miscellaneous	650	8,652	8,002
TOTAL OPERATING REVENUES	<u>606,946</u>	<u>474,545</u>	<u>(132,401)</u>
OPERATING EXPENSES			
Personnel expenses	52,890	43,600	9,290
Contractual services	28,312	18,885	9,427
Liability insurance	10,074	-	10,074
Purchased power	341,859	323,623	18,236
Materials and supplies	3,875	4,945	(1,070)
Contingencies	648,530	-	648,530
TOTAL OPERATING EXPENSES	<u>1,085,540</u>	<u>391,053</u>	<u>694,487</u>
NET OPERATING INCOME	<u>(478,594)</u>	<u>83,492</u>	<u>562,086</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest revenue	-	183	183
Interest revenue - reserves	2,040	798	(1,242)
Transfers in (out)	(36,329)	-	36,329
NET NON-OPERATING REVENUES (EXPENSES)	<u>(34,289)</u>	<u>981</u>	<u>35,270</u>
NET INCOME (LOSS) - BUDGET BASIS	<u>\$ (512,883)</u>	84,473	<u>\$ 597,356</u>
GAAP BASIS ADJUSTMENTS			
Depreciation		<u>(21,674)</u>	
TOTAL GAAP BASIS ADJUSTMENTS		<u>(21,674)</u>	
NET INCOME - GAAP BASIS		62,799	
NET POSITION, Beginning of year		<u>808,832</u>	
NET POSITION, End of year		<u>\$ 871,631</u>	

See the accompanying Independent Auditor's Report.

Supplemental Data for Oversight Agencies



COLORADO
Department of Transportation

Steps for printing your content and returning to 'Edit Mode

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4. Print hard copy or to PDF.
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6. Remember to click "Save" to save any changes.

Annual Highway Finance Report - CY22

Email address: granadaclerk@outlook.com

City/County: Granada

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	\$	0.00
3. Other local imposts: <i>from A.3. 'Total' below)</i>	\$	0.00
4. Miscellaneous local receipts: <i>from A.4. 'Total' below)</i>	\$	21,884.41
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00
SubTotal:	\$	21,884.41

B. Private Contributions \$ 0.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3. | Other local imposts

a. Property Taxes & Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	0.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	0.00
Total: (a + b) carried to 'Other local imposts' above	\$	<u>0.00</u>

A.4. | Miscellaneous local receipts

a. Interest on Investments:	\$	0.00
b. Traffic fines and Penalties:	\$	21,884.41
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	0.00
h. Other:	\$	0.00
Total: (a through h) carried to 'Misc local receipts' above	\$	<u>21,884.41</u>

C. Receipts from State Government

1. Highway User Taxes:	\$	29,903.83
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	0.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)	\$	<u>29,903.83</u>

D. Receipts from Federal Government

2. Other Federal Agencies		
a. Forest Service:	\$	0.00

b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (2a-f)	\$	<u>0.00</u>

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. 'Total Capital Outlay' below)</i>	\$	0.00
2. Maintenance:	\$	15,300.00
3. Road and street services		
a. Traffic control operations:	\$	300.00
b. Snow and ice removal:	\$	1,400.00
c. Other:	\$	3,991.51
4. General administration and miscellaneous	\$	30,796.73
5. Highway law enforcement and safety	\$	0.00
Total: (A.1-5)	\$	<u>51,788.24</u>

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1+2)	\$	<u>0.00</u>

C. Payments to State for Highways:	\$	0.00
D. Payments to Toll Facilities:	\$	0.00

Total Disbursements: (A+B+C+D) \$ 51,788.24

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 0.00	\$ 0.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			\$ 0.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 0.00

Receipts, Disbursements & Costs

IV. Local Highway Debt Status

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 51,788.24	\$ 51,788.24	\$ 0.00	\$ 0.00

Notes and Comments:
undefined



Please enter your name: Jackie Malone

Please provide a telephone number where you may be reached: 719-734-5411

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