

TOWN OF GRANADA, COLORADO

FINANCIAL STATEMENTS

Year Ended December 31, 2023

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, 2023, 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, 2023, 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
July 30, 2024

Basic Financial Statements

TOWN OF GRANADA, COLORADO

STATEMENT OF NET POSITION

December 31, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CURRENT ASSETS			
Cash and investments	\$ 329,899	\$ 514,744	\$ 844,643
Accounts receivable	5,524	47,330	52,854
Property taxes receivable	9,432	-	9,432
TOTAL CURRENT ASSETS	344,855	562,074	906,929
NET CAPITAL ASSETS	589,544	3,114,760	3,704,304
OTHER ASSETS			
Net pension asset	33,151	-	33,151
Restricted cash	26,175	198,808	224,983
TOTAL ASSETS	993,725	3,875,642	4,869,367
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows because of pensions	28,850	-	28,850
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	66,846	65,819	132,665
Customer deposits	-	3,800	3,800
Current portion of long-term debt	-	19,467	19,467
TOTAL CURRENT LIABILITIES	66,846	89,086	155,932
LONG-TERM LIABILITIES			
Notes payable	-	477,021	477,021
Landfill costs	667	-	667
TOTAL LONG-TERM LIABILITIES	667	477,021	477,688
TOTAL LIABILITIES	67,513	566,107	633,620
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	9,432	-	9,432
NET POSITION			
Net investment in capital assets	589,544	2,618,272	3,207,816
Restricted	26,175	-	26,175
Unrestricted	329,911	691,263	1,021,174
TOTAL NET POSITION	\$ 945,630	\$ 3,309,535	\$ 4,255,165

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

TOWN OF GRANADA, COLORADO
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	OPERATING	CAPITAL	GOVERNMENT	BUSINESS -
	CHARGES FOR	GRANTS AND	ACTIVITIES	TYPE ACTIVITIES
	SERVICES	CONTRIBUTIONS	CONTRIBUTIONS	TOTAL
FUNCTIONS/PROGRAMS				
Governmental Activities				
General government	\$ 28,192	\$ 35,285	\$ (178,819)	\$ (178,819)
Public safety	54,288	9,301	(110,649)	(110,649)
Public works	-	-	(136,837)	(136,837)
Culture, parks and recreation	-	-	(26,788)	(26,788)
TOTAL GOVERNMENT ACTIVITIES	82,480	44,586	(453,093)	(453,093)
Business-type activities	614,591	1,250,440	-	1,366,522
TOTAL PRIMARY GOVERNMENT	\$ 697,071	\$ 1,250,440	(453,093)	913,429
GENERAL REVENUES				
Taxes			137,151	137,151
Intergovernmental income			34,134	34,134
Licenses and permits			19,442	19,442
Fines and forfeitures			11,193	11,193
Other income			275	3,906
TOTAL GENERAL REVENUES			467,515	(261,414)
CHANGE IN NET POSITION			14,422	1,105,108
NET POSITION - Beginning of Year			931,208	2,204,427
NET POSITION - End of Year			\$ 945,630	\$ 3,309,535

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

TOWN OF GRANADA, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2023

	GENERAL	CONSERVATION TRUST	ROAD & BRIDGE	VICTIMS' ASSISTANCE	CAPITAL IMPROVEMENT	AMACHE PROJECT	LANDFILL	FLOOD LEVEE	TOTALS
ASSETS									
Cash and investments	\$ 105,041	\$ 10,133	\$ 5,419	\$ 64,972	\$ 10,875	\$ 2,064	\$ 92,867	\$ 64,703	\$ 356,074
Accounts receivable	88	-	-	-	-	-	4,953	483	5,524
Property taxes receivable	7,959	-	-	-	1,473	-	-	-	9,432
Due from other funds	-	-	698	-	-	-	-	-	698
TOTAL ASSETS	113,088	10,133	6,117	64,972	12,348	2,064	97,820	65,186	371,728
LIABILITIES									
Accounts payable	54,130	9	-	6,455	-	-	6,252	-	66,846
Due to other funds	698	-	-	-	-	-	-	-	698
TOTAL LIABILITIES	54,828	9	-	6,455	-	-	6,252	-	67,544
DEFERRED INFLOWS OF RESOURCES									
Unavailable property taxes	7,959	-	-	-	1,473	-	-	-	9,432
FUND BALANCES									
Restricted for:									
TABOR emergencies	15,300	-	-	-	-	-	-	-	15,300
Capital improvements	-	-	-	-	10,875	-	-	-	10,875
Committed	-	10,124	6,117	58,517	-	2,064	91,568	65,186	233,576
Unassigned	35,001	-	-	-	-	-	-	-	35,001
TOTAL FUND BALANCES	50,301	10,124	6,117	58,517	10,875	2,064	91,568	65,186	294,752
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 113,088	\$ 10,133	\$ 6,117	\$ 64,972	\$ 12,348	\$ 2,064	\$ 97,820	\$ 65,186	\$ 371,728
TOTAL FUND BALANCE - GOVERNMENTAL FUNDS									\$ 294,752
Capital assets used in governmental activities are not resources and are not reported in the funds:									
Capital assets									817,973
Accumulated depreciation									(228,429)
Pension assets and deferred outflows are not current; therefore are not reported in the funds:									
Net pension asset									33,151
Deferred outflows of resource because of pensions									28,850
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									\$ 945,630

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, 2023

	GENERAL	CONSERVATION TRUST	ROAD & BRIDGE	VICTIMS' ASSISTANCE	CAPITAL IMPROVEMENT	AMACHE PROJECT	LANDFILL	FLOOD LEVEE	TOTALS
REVENUES									
Taxes	\$ 132,933	-	\$ 1,932	\$ -	\$ 2,286	-	\$ -	\$ -	\$ 137,151
Intergovernmental	27,905	6,229	-	-	-	-	-	-	34,134
Licenses and permits	19,442	-	-	-	-	-	-	-	19,442
Fees for service	28,192	-	-	-	-	-	49,617	4,671	82,480
Fines and forfeitures	8,385	-	-	2,808	-	-	-	-	11,193
Grants	35,285	-	-	9,301	-	-	-	-	44,586
Other revenue	-	-	32	243	-	-	-	-	275
TOTAL REVENUES	252,142	6,229	1,964	12,352	2,286	-	49,617	4,671	329,261
EXPENDITURES									
General government	188,643	-	-	10,132	-	-	41,188	-	239,963
Public safety	182,942	-	-	-	-	-	-	-	182,942
Public works	135,337	-	-	-	-	-	-	-	135,337
Culture and recreation	1,470	7,800	-	-	-	-	-	-	9,270
Capital outlay	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	508,392	7,800	-	10,132	-	-	41,188	-	567,512
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(256,250)	(1,571)	1,964	2,220	2,286	-	8,429	4,671	(238,251)
OTHER FINANCING SOURCES (USES)									
Transfers In (out)	265,320	-	-	-	-	-	-	-	265,320
TOTAL OTHER FINANCING SOURCES (USES)	265,320	-	-	-	-	-	-	-	265,320
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	9,070	(1,571)	1,964	2,220	2,286	-	8,429	4,671	27,069
FUND BALANCES, Beginning	41,231	11,695	4,153	56,297	8,589	2,064	83,139	60,515	267,683
FUND BALANCES, Ending	\$ 50,301	\$ 10,124	\$ 6,117	\$ 58,517	\$ 10,875	\$ 2,064	\$ 91,568	\$ 65,186	\$ 294,752
NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS									\$ 27,069
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.									10,061
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.									(22,708)
Depreciation expense									\$ 14,422
Change in net position of governmental activities									\$ 14,422

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

TOWN OF GRANADA, COLORADO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2023

	WATER FUND	ELECTRIC FUND	TOTALS
ASSETS			
CURRENT ASSETS			
Cash and equivalents	\$ 143,585	\$ 371,159	\$ 514,744
Accounts receivable	11,170	36,160	47,330
TOTAL CURRENT ASSETS	154,755	407,319	562,074
CAPITAL ASSETS, NET	2,856,939	257,821	3,114,760
OTHER ASSETS			
Restricted cash	14,961	183,847	198,808
TOTAL ASSETS	\$ 3,026,655	\$ 848,987	\$ 3,875,642
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	1,469	64,350	\$ 65,819
Customer deposits	-	3,800	3,800
Current portion of long-term liabilities	19,467	-	19,467
TOTAL CURRENT LIABILITIES	20,936	68,150	89,086
LONG-TERM LIABILITIES			
Notes payable	477,021	-	477,021
TOTAL LIABILITIES	497,957	68,150	566,107
NET POSITION			
Net investment in capital assets	2,360,451	257,821	2,618,272
Unrestricted	168,247	523,016	691,263
TOTAL NET POSITION	\$ 2,528,698	\$ 780,837	\$ 3,309,535

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, 2023

	<u>WATER FUND</u>	<u>ELECTRIC FUND</u>	<u>TOTALS</u>
OPERATING REVENUES			
Charges for services	\$ 152,958	\$ 461,633	\$ 614,591
TOTAL OPERATING REVENUES	<u>152,958</u>	<u>461,823</u>	<u>614,781</u>
OPERATING EXPENSES			
Personnel expenses	2,691	-	2,691
Contractual services	50,197	26,022	76,219
Liability insurance	-	9,917	9,917
Purchased power	-	319,363	319,363
Materials and supplies	20,495	5,473	25,968
Depreciation	29,470	19,675	49,145
TOTAL OPERATING EXPENSES	<u>102,853</u>	<u>380,450</u>	<u>483,303</u>
OPERATING INCOME (LOSS)	<u>50,105</u>	<u>81,373</u>	<u>131,478</u>
NON-OPERATING REVENUES (EXPENSES)			
Grants	1,250,440	-	1,250,440
Interest revenue	563	3,153	3,716
Interest expense	(15,206)	-	(15,206)
NET NON-OPERATING REVENUES (EXPENSES)	<u>1,235,797</u>	<u>3,153</u>	<u>1,238,950</u>
EXCESS OF REVENUES OVER (UNDER) EXPENSES	1,285,902	84,526	1,370,428
TRANSFERS			
Transfers (Out)	(90,000)	(175,320)	(265,320)
TOTAL TRANSFERS	<u>(90,000)</u>	<u>(175,320)</u>	<u>(265,320)</u>
NET INCOME (LOSS)	1,195,902	(90,794)	1,105,108
NET POSITION - Beginning	<u>1,332,796</u>	<u>871,631</u>	<u>2,204,427</u>
NET POSITION - Ending	<u><u>\$ 2,528,698</u></u>	<u><u>\$ 780,837</u></u>	<u><u>\$ 3,309,535</u></u>

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, 2023

	<u>WATER FUND</u>	<u>ELECTRIC FUND</u>	<u>TOTALS</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 155,306	\$ 469,753	\$ 625,059
Cash paid to suppliers and employees	<u>(84,067)</u>	<u>(313,526)</u>	<u>(397,593)</u>
Net cash provided by operating activities	<u>71,239</u>	<u>156,227</u>	<u>227,466</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital asset additions	(1,278,521)	-	(1,278,521)
Grants	1,250,440	-	1,250,440
Principal retired	(12,854)	-	(12,854)
Interest paid	<u>(15,206)</u>	<u>-</u>	<u>(15,206)</u>
Net cash provided (used) by capital and related financing activities	<u>(56,141)</u>	<u>-</u>	<u>(56,141)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	563	3,153	3,716
Net Cash From (Used by) Investing Activities	<u>(89,437)</u>	<u>3,153</u>	<u>(86,284)</u>
Net increase (decrease) in cash and cash equivalents	(74,339)	159,380	85,041
CASH, BEGINNING	<u>217,924</u>	<u>211,779</u>	<u>429,703</u>
CASH, ENDING	<u><u>\$ 143,585</u></u>	<u><u>\$ 371,159</u></u>	<u><u>\$ 514,744</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 50,105	\$ 81,373	\$ 131,478
ADJUSTMENTS			
Depreciation expense	29,470	19,675	49,145
Changes in assets and liabilities:			
Accounts receivable	2,386	6,696	9,082
Accounts payable	(10,684)	18,046	7,362
Customer deposits	<u>(38)</u>	<u>1,234</u>	<u>1,196</u>
Total adjustments	<u>21,134</u>	<u>74,854</u>	<u>95,988</u>
Net Cash Provided by Operating Activities	<u><u>\$ 71,239</u></u>	<u><u>\$ 156,227</u></u>	<u><u>\$ 227,466</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, 2023

	<u>Volunteer Firemen's Pension</u>
ASSETS	
Cash and investments	<u>0</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Pension benefits payable	-
NET POSITION	
Unrestricted	<u>-</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ -</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, 2023

	<u>Volunteer Firemen's Pension</u>
REVENUES	
Investment income	\$ 2
NET POSITION, Beginning	<u>21,304</u>
NET POSITION, Ending	<u>\$ 21,306</u>

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

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023 the Town's cash and investments were as follows:

	<u>Carrying Value</u>
Deposits	
Demand deposits	\$ 946,045
Investments	
Certificates of deposit	123,581
Total deposits and investments	<u>\$ 1,069,626</u>
Reconciliation to Statement of Net Position	
Current:	
Cash and investments	\$ 844,643
Restricted cash	224,983
Cash held as fiduciary	-
	<u>\$ 1,069,626</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, 2023

NOTE 2: CASH (Continued)

Custodial Risk Deposits in financial institutions, reported as cash, cash equivalents, and investments had a bank balance of \$1,061,093 at December 31, 2023, 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 2023 are summarized below.

	<u>Balance 1/1/2023</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance 12/31/2023</u>
Governmental activities:				
Assets not being depreciated				
Land	\$ 14,800	\$ -	\$ -	\$ 14,800
Assets being depreciated				
Buildings	126,552	-	-	126,552
Improvements	541,740	-	-	541,740
Vehicles	57,820	-	-	57,820
Equipment	77,061	-	-	77,061
Total assets being depreciated	<u>803,173</u>	<u>-</u>	<u>-</u>	<u>803,173</u>
Less: Accumulated depreciation				
Buildings	(80,668)	(2,783)	-	(83,451)
Improvements	(15,478)	(15,478)	-	(30,957)
Vehicles	(48,320)	(1,357)	-	(49,677)
Equipment	(61,255)	(3,089)	-	(64,344)
Total accumulated depreciation	<u>(205,721)</u>	<u>(22,708)</u>	<u>-</u>	<u>(228,429)</u>
Net capital assets - governmental activities	<u>\$ 612,252</u>	<u>\$ (22,708)</u>	<u>\$ -</u>	<u>\$ 589,544</u>

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

Governmental activities:	
General government	\$ 2,333
Public safety	1,357
Public works	1,500
Culture, parks and recreation	17,518
	<u>\$ 22,708</u>

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2023

NOTE 3: CAPITAL ASSETS (Continued)

	Balance 1/1/2021	Additions	Adjustments	Balance 12/31/2023
Business-type activities:				
Assets not being depreciated				
Land	\$ 4,624	\$ -	\$ -	\$ 4,624
Construction in progress	849,641	-	849,641	-
Assets being depreciated				
Equipment	4,863,403	2,128,162	-	6,991,566
Total assets being depreciated	4,863,403	2,128,162	-	6,991,566
Less: Accumulated depreciation				
Equipment	(1,704,122)	(49,145)	-	(1,753,267)
Net capital assets - business-type activities	\$ 4,013,547	\$ 2,079,017	\$ 849,641	\$ 5,242,922

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

Business-type activities:	
Water	\$ 29,470
Electric	19,675
	\$ 49,145

NOTE 4: LONG-TERM DEBT

Changes in long-term liabilities in 2023, are summarized below.

	Balance January 1, 2023	Additions	Retirements	Balance December 31, 2023	Current Portion
Governmental activities:					
Landfill closure costs	\$ 560	\$ -	\$ -	\$ 560	\$ -
Total governmental activities	\$ 560	\$ -	\$ -	\$ 560	\$ -
Business-type activities:					
Water loan 2001	\$ 322,817	\$ -	\$ 12,854	\$ 309,963	\$ 13,475
DWRP Water Loan	-	190,000	3,475	186,525	5,992
Total business-type activities	\$ 322,817	\$ 190,000	\$ 16,329	\$ 496,488	\$ 19,467

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2023

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>	<u>Principal</u>	<u>Water loan 2001</u> <u>Interest</u>	<u>Total</u>
2024	\$ 13,475	\$ 17,386	\$ 30,861
2025	14,123	16,874	30,997
2026	14,801	16,338	31,139
2027	15,513	15,775	31,288
2028	16,258	15,186	31,444
2029-2033	93,792	66,030	159,822
2034-2038	118,606	46,408	165,014
2039	23,395	11,949	35,344
	<u>\$ 309,963</u>	<u>\$ 205,946</u>	<u>\$ 515,909</u>

In 2023, the Town obtained a loan payable to the Drinking Water Revolving Fund, which was used to fund water system improvements. The loan is due in semiannual installments, including interest at 0.5%, through 2052. Annual maturities are shown below.

<u>For the year ended</u> <u>December 31,</u>	<u>Principal</u>	<u>DWRF Loan</u> <u>Interest</u>	<u>Total</u>
2024	\$ 5,992	\$ 925	\$ 6,918
2025	6,022	895	6,918
2026	6,053	865	6,918
2027	6,083	835	6,918
2028	6,113	804	6,918
2029-2033	31,028	3,559	34,588
2034-2038	31,813	2,775	34,588
2039-2043	32,617	1,970	34,588
2044-2048	33,442	1,146	34,588
2049-2052	27,361	309	27,670
	<u>\$ 186,525</u>	<u>\$ 14,082</u>	<u>\$ 200,608</u>

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2023

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.

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>.

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2023

NOTE 6: PENSION PLANS (Continued)

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.

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, 2023 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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The Town's proportion of the net pension liability was based on Town contributions to the plan for the calendar year 2022 relative to the total contributions of participating employers to the Plan.

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2023

NOTE 6: PENSION PLANS (Continued)

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

For the plan year ended December 31, 2022, 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, 2022**

Service Cost	\$ 4,349
Interest on the Total Pension Liability	12,911
Current-Period Benefit Changes	49,850
IRC 414(h)(2) Employer-paid Member Contributions	(2,085)
Member Purchases of Service Credit	(4,841)
Projected Earnings on Plan Investments	(19,193)
Pension Plan Administrative Expense	345
Other Changes in Plan Fiduciary Net Position	-
Recognition of Inflow of Resources due to Liabilities	8,754
Recognition of Outflow of Resources due to Assets	1,900
Total Pension Plan Expense	\$ 51,990

At December 31, 2022, 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	\$ 15,154	\$ -
Changes of assumptions	3,939	-
Net difference between projected and actual earnings on pension plan investments	14,059	
Changes in proportion and differences between Town contributions and proportionate share of contributions	(4,271)	-
Town contributions subsequent to the measurement date	4,348	-
Total	\$ 33,229	\$ -

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2023

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, 2022 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, 2023. 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,			
	2023	\$	7,362
	2024		6,650
	2025		7,595
	2026		9,968
	2027		1,261
Thereafter			315
	<u>\$</u>		<u>33,151</u>

Actuarial Assumptions. The January 1, 2023 actuarial valuation was used to determine the Actuarially Determined Contribution for the plan year ending December 31, 2022. 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, 2023

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35.0%	8.93%
Equity Long/Short	6.0%	7.47%
Illiquid Alternatives	34.0%	10.31%
Fixed Income	10.0%	5.45%
Absolute Return	5.0%	6.90%
Managed Futures	9.0%	6.49%
Cash	1.0%	3.92%
Total	100.0%	

TOWN OF GRANADA

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2023

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	\$ 26,011	\$ (3,445)	\$ (28,156)

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, 2023

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: General Fund, Landfill Fund, and Water Fund.

Required Supplementary Information

TOWN OF GRANADA, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended December 31, 2023

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Taxes	\$ 106,084	\$ 132,933	\$ 26,849
Intergovernmental	29,662	27,905	(1,757)
Licenses and permits	17,768	19,442	1,674
Fines and forfeiture	19,150	8,385	(10,765)
Other revenue	111,843	26,482	(85,361)
Rents and royalties	3,300	1,710	(1,590)
Grants	28,080	35,285	7,205
	<u>315,887</u>	<u>252,142</u>	<u>(63,745)</u>
TOTAL REVENUES			
EXPENDITURES			
General government	90,056	188,643	(98,587)
Public safety	166,817	182,942	(16,125)
Public works	134,608	135,337	(729)
Culture and recreation	2,775	1,470	1,305
	<u>394,256</u>	<u>508,392</u>	<u>(114,136)</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(78,369)</u>	<u>(256,250)</u>	<u>50,391</u>
OTHER FINANCIAL SOURCES (USES)			
Transfers in	<u>179,986</u>	<u>265,320</u>	<u>(85,334)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCIAL SOURCES (USES)	<u>\$ 101,617</u>	9,070	<u>\$ (92,547)</u>
FUND BALANCE - Beginning		<u>41,231</u>	
FUND BALANCE - Ending		<u>\$ 50,301</u>	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO

BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND

For the Year Ended December 31, 2023

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Lottery proceeds	<u>\$ 6,339</u>	<u>\$ 6,229</u>	<u>\$ (110)</u>
EXPENDITURES			
Culture and recreation			
Contractual services	4,200	2,956	7,156
Materials and supplies	600	-	600
Capital outlay	<u>5,000</u>	<u>4,844</u>	<u>156</u>
TOTAL EXPENDITURES	<u>9,800</u>	<u>7,800</u>	<u>7,912</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u><u>\$ (3,461)</u></u>	<u>(1,571)</u>	<u><u>\$ 1,890</u></u>
FUND BALANCE - Beginning		<u>11,695</u>	
FUND BALANCE - Ending		<u><u>\$ 10,124</u></u>	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO

BUDGETARY COMPARISON SCHEDULE
ROAD & BRIDGE FUND

For the Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Property tax	\$ 1,699	\$ 1,932	\$ 233
Interest revenue	10	32	22
TOTAL REVENUES	1,709	1,964	255
EXPENDITURES			
Materials and supplies	1,000	-	1,000
TOTAL EXPENDITURES	1,000	-	1,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	709	1,964	1,255
FUND BALANCE - Beginning		4,153	
FUND BALANCE - Ending		\$ 6,117	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENTS

For the Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Property Taxes	\$ 2,200	\$ 2,286	\$ 86
TOTAL REVENUES	2,200	2,286	86
EXPENDITURES			
Capital outlay	5,000	-	5,000
TOTAL EXPENDITURES	5,000	-	5,000
EXCESS OF REVENUES OVER EXPENDITURES	\$ (2,800)	2,286	\$ 5,086
FUND BALANCE - Beginning		8,589	
FUND BALANCE - Ending		\$ 10,875	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO

BUDGETARY COMPARISON SCHEDULE
VICTIMS' ASSISTANCE FUND

For the Year Ended December 31, 2023

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Surcharges	\$ 5,500	\$ 2,808	\$ (2,692)
Grants	12,301	9,301	(3,000)
Interest	3,468	243	(3,225)
TOTAL REVENUES	<u>21,269</u>	<u>12,352</u>	<u>(8,917)</u>
 EXPENDITURES			
Personnel expenses	9,301	8,154	1,147
Contractual services	7,535	1,826	5,709
Materials and supplies	650	152	498
TOTAL EXPENDITURES	<u>17,486</u>	<u>10,132</u>	<u>7,354</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 <u><u>\$ 3,783</u></u>	 <u>2,220</u>	 <u><u>\$ (1,563)</u></u>
 FUND BALANCE - Beginning		 <u>56,297</u>	
 FUND BALANCE - Ending		 <u><u>\$ 58,517</u></u>	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO
BUDGETARY COMPARISON SCHEDULE
AMACHE PROJECT

For the Year Ended December 31, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Other revenue	\$ -	\$ -	\$ -
EXPENDITURES			
Contingencies	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	\$ -
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, 2023

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Charges for services	\$ 47,149	\$ 49,617	\$ 2,468
Grants	10,366	-	(10,366)
Total Revenues	57,515	49,617	(7,898)
EXPENDITURES			
Personal services	17,465	22,133	(4,668)
Contractual services	6,200	8,497	(2,297)
Materials and supplies	1,700	66	1,634
Grant expenses	12,366	10,492	1,874
Total Expenditures	37,731	41,188	(3,457)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 19,784	8,429	\$ (11,355)
FUND BALANCE - Beginning		83,139	
FUND BALANCE - Ending		\$ 91,568	

See the accompanying Independent Auditor's Report.

TOWN OF GRANADA, COLORADO
BUDGETARY COMPARISON SCHEDULE
FLOOD LEVEE FUND

For the Year Ended December 31, 2023

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Maintenance fee	<u>\$ 4,446</u>	<u>\$ 4,671</u>	<u>\$ 225</u>
EXPENDITURES			
Contractual services	<u>10,000</u>	<u>-</u>	<u>10,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 4,446</u>	4,671	<u>\$ 225</u>
FUND BALANCE - Beginning		<u>60,515</u>	
FUND BALANCE - Ending		<u>\$ 65,186</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,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Town's portion of the net pension asset	0.2362%	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)	(33,151)	(77,942)	(51,740)	(30,679)	(21,531)	(30,345)	(19,974)	(18,980)	(22,735)	(18,710)
Town's covered payroll	53,449	28,548	34,596	42,172	31,140	29,664	29,664	29,664	29,664	29,664
Town's proportionate share of net pension liability (asset) as a percentage of its covered payroll	-62.0%	-273.0%	-149.6%	-72.7%	-69%	-102%	-67%	-64%	-77%	-63%
Plan fiduciary net position as a percentage of total pension asset	138.8%	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,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	4,348	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	(4,348)	(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	53,449	28,548	34,596	42,172	31,140	29,664	29,664	29,664	29,664	29,664
Contributions as a percentage of covered payroll	8.1%	12.2%	9.2%	6.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

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, 2023

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
OPERATING REVENUES			
Charges for services	\$ 120,008	152,958	\$ 32,950
Miscellaneous	50	-	(50)
TOTAL OPERATING REVENUES	<u>120,058</u>	<u>152,958</u>	<u>32,900</u>
OPERATING EXPENSES			
Personnel expenses	-	2,691	(2,691)
Contractual services	74,405	50,197	24,208
Materials and supplies	23,250	20,495	2,755
Capital outlay	765,509	1,278,521	(513,012)
Debt service-Principal	28,080	12,854	15,226
Debt service-Interest	-	15,206	(15,206)
TOTAL OPERATING EXPENSES	<u>891,244</u>	<u>1,379,964</u>	<u>(488,720)</u>
NET OPERATING INCOME	<u>(771,186)</u>	<u>(1,227,006)</u>	<u>(455,820)</u>
NON-OPERATING REVENUE (EXPENSE)			
Grants	1,365,499	1,250,440	(115,059)
Interest revenue	850	453	(397)
Interest revenue - reserves	15	110	95
Transfers in (Out)	-	(90,000)	(90,000)
NET NON-OPERATING REVENUES (EXPENSES)	<u>1,366,364</u>	<u>1,161,003</u>	<u>(205,361)</u>
NET INCOME (LOSS) - BUDGET BASIS	<u>\$ 595,178</u>	(66,003)	<u>\$ (661,181)</u>
GAAP BASIS ADJUSTMENTS			
Capital outlay		1,278,521	
Debt service principal		12,854	
Depreciation		(29,470)	
TOTAL GAAP BASIS ADJUSTMENTS		<u>1,261,905</u>	
NET INCOME (LOSS) - GAAP BASIS		1,195,902	
NET POSITION, Beginning of year		<u>1,332,796</u>	
NET POSITION, End of year		<u>\$ 2,528,698</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, 2023

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
OPERATING REVENUES			
Charges for services	\$ 480,398	\$ 461,633	\$ (18,765)
Miscellaneous	-	190	190
TOTAL OPERATING REVENUES	<u>480,398</u>	<u>461,823</u>	<u>(18,575)</u>
OPERATING EXPENSES			
Contractual services	60,591	26,022	34,569
Liability insurance	9,917	9,917	-
Purchased power	290,905	319,363	(28,458)
Materials and supplies	8,884	5,473	3,411
TOTAL OPERATING EXPENSES	<u>370,297</u>	<u>360,775</u>	<u>9,522</u>
NET OPERATING INCOME	<u>110,101</u>	<u>101,048</u>	<u>(9,053)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest revenue	-	614	614
Interest revenue - reserves	-	2,539	2,539
Transfers in (out)	(175,320)	(175,320)	-
NET NON-OPERATING REVENUES (EXPENSES)	<u>(175,320)</u>	<u>(172,167)</u>	<u>3,153</u>
NET INCOME (LOSS) - BUDGET BASIS	<u>\$ (65,219)</u>	<u>(71,119)</u>	<u>\$ (5,900)</u>
GAAP BASIS ADJUSTMENTS			
Depreciation		<u>(19,675)</u>	
TOTAL GAAP BASIS ADJUSTMENTS		<u>(19,675)</u>	
NET INCOME - GAAP BASIS		(90,794)	
NET POSITION, Beginning of year		<u>871,631</u>	
NET POSITION, End of year		<u>\$ 780,837</u>	

See the accompanying Independent Auditor's Report.

Supplemental Data for Oversight Agencies

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	\$	0.00

A.4. | Miscellaneous local receipts

a. Interest on Investments:	\$	0.00
b. Traffic fines and Penalties:	\$	8385.08
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	\$	8,385.08

C. Receipts from State Government

1. Highway User Taxes:	\$	21820.41
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)	\$	21,820.41

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:	\$	5642.08
3. Road and street services		
a. Traffic control operations:	\$	200.00
b. Snow and ice removal:	\$	1560.00
c. Other:	\$	9193.82
4. General administration and miscellaneous	\$	13609.59
5. Highway law enforcement and safety	\$	0.00
Total: (A.1-5)	\$	<u>30,205.49</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)* \$ 30,205.49

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:			\$ <u>0.00</u>
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ <u>0.00</u>

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	\$ 30,205.49	\$ 30,205.49	\$ 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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