

**Town of Marble, Colorado**

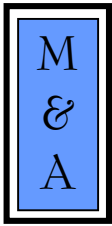
**Financial Statements**

**December 31, 2018**

**Town of Marble, Colorado  
Financial Statements  
December 31, 2018**

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# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

CHAPEL SQUARE, BLDG C  
245 CHAPEL PLACE, SUITE 300  
P.O. Box 5850, AVON, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM  
MAIN OFFICE: (970) 845-8800  
FACSIMILE: (970) 845-8108  
E-MAIL: MCMAHAN@MCMAHANCPA.COM

## INDEPENDENT AUDITOR'S REPORT

### **To the Board of Trustees Town of Marble, Colorado**

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Town of Marble (the "Town"), as of and for the year ended December 31, 2018, which collectively comprise the Town's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Marble as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Member: American Institute of Certified Public Accountants*

PAUL J. BACKES, CPA, CGMA  
MICHAEL N. JENKINS, CA, CPA, CGMA  
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800  
ASPEN: (970) 544-3996  
FRISCO: (970) 668-3481

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

***Other Matters***

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

The budgetary comparison information in section D is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The budgetary comparison information found in Section E and listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The budgetary comparison information found in Section F is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.**  
**April 29, 2019**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Town of Marble, Colorado**  
**Statement of Net Position**  
**December 31, 2018**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	356,092	38,653	394,745
Accounts receivable	3,599	-	3,599
Due (to)/from other fund	130	(130)	-
Property tax receivable	20,908	-	20,908
<b>Total Assets</b>	<b>380,729</b>	<b>38,523</b>	<b>419,252</b>
<b>Liabilities:</b>			
Accounts payable	16,624	-	16,624
Payroll tax payable	1,109	-	1,109
Accrued interest payable	-	17,055	17,055
Refundable deposits	3,199	-	3,199
Long-term liabilities:			
Due within one year	-	8,776	8,776
Due in more than one year	-	271,837	271,837
<b>Total Liabilities</b>	<b>20,932</b>	<b>297,668</b>	<b>318,600</b>
<b>Deferred Inflow of Resources:</b>			
Unavailable property tax revenue	20,908	-	20,908
<b>Total Deferred Inflow of Resources</b>	<b>20,908</b>	<b>-</b>	<b>20,908</b>
<b>Net Position:</b>			
Restricted for emergencies	5,501	-	5,501
Restricted for park and recreation	19,573	-	19,573
Unrestricted	313,815	(259,145)	54,670
<b>Total Net Position</b>	<b>338,889</b>	<b>(259,145)</b>	<b>79,744</b>

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

**Town of Marble, Colorado**  
**Statement of Activities**  
**For the Year Ended December 31, 2018**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs</b>							
<b>Governmental Activities:</b>							
General government	86,766	-	13,458	-	(73,308)		(73,308)
Professional fees	41,835	-	-	-	(41,835)		(41,835)
Public works	74,337	-	-	1,367	(72,970)		(72,970)
<b>Total Governmental     Activities</b>	<u>202,938</u>	<u>-</u>	<u>13,458</u>	<u>1,367</u>	<u>(188,113)</u>		<u>(188,113)</u>
<b>Business-type Activities:</b>							
Water	13,293	24,253	-	-		10,960	10,960
<b>Total Business-type     Activities</b>	<u>13,293</u>	<u>24,253</u>	<u>-</u>	<u>-</u>		<u>10,960</u>	<u>10,960</u>
<b>Total</b>	<u>216,231</u>	<u>24,253</u>	<u>13,458</u>	<u>1,367</u>	<u>(188,113)</u>	<u>10,960</u>	<u>(177,153)</u>
			<b>General revenues:</b>				
			Property tax	22,951	-		22,951
			Sales tax	55,019	-		55,019
			Cigarette tax	182	-		182
			Severance tax	2,470	-		2,470
			Mineral lease revenue	2,412	-		2,412
			Licenses and permits	1,862	-		1,862
			Contributions and donations	4,167	-		4,167
			Colorado Stone Quarry use agreement	33,075	-		33,075
			Campground rental	46,411	-		46,411
			Other revenue	4,168	-		4,168
			<b>Total General Revenues</b>	<u>172,717</u>	<u>-</u>		<u>172,717</u>
			<b>Change in Net Position</b>	(15,396)	10,960		(4,436)
			<b>Net Position - Beginning</b>	354,285	(270,105)		84,180
			<b>Net Position - Ending</b>	<u>338,889</u>	<u>(259,145)</u>		<u>79,744</u>

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

## **FUND FINANCIAL STATEMENTS**



**Town of Marble, Colorado**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**

	<u>General</u>	<u>Conservation Trust</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash	336,519	19,573	356,092
Accounts receivable	3,599	-	3,599
Due (to)/from other fund	130	-	130
Property tax receivable	20,908	-	20,908
<b>Total Assets</b>	<u>361,156</u>	<u>19,573</u>	<u>380,729</u>
<b>Liabilities:</b>			
Accounts payable	16,624	-	16,624
Payroll tax payable	1,109	-	1,109
Refundable deposits	3,199	-	3,199
<b>Total Liabilities</b>	<u>20,932</u>	<u>-</u>	<u>20,932</u>
<b>Deferred Inflow of Resources:</b>			
Unavailable property tax revenue	20,908	-	20,908
<b>Total Deferred Inflow of Resources</b>	<u>20,908</u>	<u>-</u>	<u>20,908</u>
<b>Fund Balances:</b>			
Restricted for emergencies	5,501	-	5,501
Restricted for park and recreation	-	19,573	19,573
Unassigned	313,815	-	313,815
<b>Total Fund Balances</b>	<u>319,316</u>	<u>19,573</u>	<u>338,889</u>
<b>Total Deferred Inflow of Resources Liabilities, and Fund Balances</b>	<u>361,156</u>	<u>19,573</u>	
<b>Net Position of Governmental Activities</b>			<u>338,889</u>

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

**Town of Marble, Colorado**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2018**

	<u>General</u>	<u>Conservation Trust</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Property tax	22,951	-	22,951
Intergovernmental:			
Sales tax	55,019	-	55,019
Highway users tax	13,458	-	13,458
Lottery revenue	-	1,367	1,367
Cigarette tax	182	-	182
Severance tax	2,470	-	2,470
Mineral lease revenue	2,412	-	2,412
Licenses and permits	1,862	-	1,862
Contributions and donations	4,167	-	4,167
Colorado Stone Quarry land lease	33,075	-	33,075
Campground rental	46,411	-	46,411
Other revenue	4,168	-	4,168
<b>Total Revenues</b>	<u>186,175</u>	<u>1,367</u>	<u>187,542</u>
<b>Expenditures:</b>			
General government	86,766	-	86,766
Professional fees	41,835	-	41,835
Public works	74,337	-	74,337
<b>Total Expenditures</b>	<u>202,938</u>	<u>-</u>	<u>202,938</u>
<b>Excess of Revenues Over Expenditures</b>	(16,763)	1,367	(15,396)
<b>Fund Balances - Beginning</b>	<u>336,079</u>	<u>18,206</u>	<u>354,285</u>
<b>Fund Balances - Ending</b>	<u><u>319,316</u></u>	<u><u>19,573</u></u>	<u><u>338,889</u></u>

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

**Town of Marble, Colorado**  
**Statement of Net Position**  
**Proprietary Fund - Water Fund**  
**December 31, 2018**

**Assets:**

**Current Assets:**

Equity in pooled cash	38,653
Due (to)/from general fund	<u>(130)</u>
<b>Total Current Assets</b>	<u><b>38,523</b></u>

<b>Total Assets</b>	<u><u><b>38,523</b></u></u>
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**Liabilities:**

Accrued interest payable	17,055
Loan payable:	
Due within one year	8,776
Due in more than one year	<u>271,837</u>
<b>Total Liabilities</b>	<u><b>297,668</b></u>

**Net Position:**

Unrestricted	<u>(259,145)</u>
<b>Total Net Position</b>	<u><u><b>(259,145)</b></u></u>

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

**Town of Marble, Colorado**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Fund - Water Fund**  
**For the Year Ended December 31, 2018**

<b>Operating Revenues:</b>	
Water fees	<u>24,253</u>
<b>Total Operating Revenues</b>	<u>24,253</u>
<b>Operating Income</b>	24,253
<b>Non-operating Expense:</b>	
Interest expense	<u>(13,293)</u>
<b>Total Non-operating Expense</b>	<u>(13,293)</u>
<b>Net income</b>	10,960
<b>Net Position - Beginning</b>	<u>(270,105)</u>
<b>Net Position - Ending</b>	<u><u>(259,145)</u></u>

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

**Town of Marble, Colorado**  
**Statement of Cash Flows**  
**Proprietary Fund - Water Fund**  
**For the Year Ended December 31, 2018**

<b>Cash Flows From Operating Activities:</b>	
Cash received from customers and others	24,253
<b>Net Cash Provided by Operating Activities</b>	<u>24,253</u>
 <b>Cash Flows From Capital and Related Financing Activities:</b>	
Principal paid	(8,438)
Interest paid	(11,562)
<b>Cash (Used) by Capital Financing Activities:</b>	<u>(20,000)</u>
 <b>Net Change in Cash and Cash Equivalents</b>	 4,253
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>34,400</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>38,653</u></u>
 <b>Reconciliation of Operating Income to</b>	
<b>Net Cash Provided by Operating Activities:</b>	
Operating income	24,253
<b>Net Cash Provided by Operating Activities</b>	<u><u>24,253</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2018**

**I. Summary of Significant Accounting Policies**

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

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

**A. Reporting Entity**

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

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

**B. Government-wide Financial Statements**

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

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

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

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**C. Fund Financial Statements**

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

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

The Town reports the following governmental funds:

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

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

The Town reports the following proprietary funds:

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

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

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

**1. Long-term Economic Focus and Accrual Basis**

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

**2. Current Financial Focus and Modified Accrual Basis**

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



**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

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

**3. Financial Statement Presentation**

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**E. Financial Statement Accounts**

**1. Cash and Cash Equivalents**

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less.

**2. Receivables**

Receivables are reported net of an allowance for uncollectible accounts. No allowance is recorded at December 31, 2018, as all accounts are considered to be collectible.

**3. Property Taxes**

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

**4. Capital Assets**

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

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**4. Capital Assets (continued)**

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

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

**5. Long-term Debt**

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

**6. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town doesn't have any items that qualify for reporting in this category at December 31, 2018.

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

**7. Fund Balances**

The Town has classified governmental fund balances as follows:

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

Spendable Fund Balance:

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

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

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Accounts (continued)**

**7. Fund Balances (continued)**

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

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

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

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

**8. Net Position**

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

**F. Use of Estimates**

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

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**II. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

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

The Town followed the required timetable noted below in preparing, approving, and enacting its budget for 2018.

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

For the year ended December 31, 2018, expenditures exceeded appropriations in the General Fund by \$3,147. Overspending of this appropriation is considered a budgetary violation.

**B. TABOR Amendment**

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

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**II. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment (continued)**

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$5,501, which is the approximate required reserve at December 31, 2018.

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

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

**III. Detailed Notes on All Funds**

**A. Deposits and Investments**

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

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

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

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

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

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

At December 31, 2018, all of the Town's cash was held in checking and savings accounts.

**B. Receivables**

Receivables as of year-end for the Town's funds consist of property taxes receivable in the amount of \$20,908, \$3,599 of accounts receivable and \$130 due from the water fund.

Governmental funds report *deferred inflow of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The \$20,908 of deferred inflow of resources is property taxes levied in 2018 but not available until 2019.

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2018 was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Capital Assets, Being Depreciated				
Buildings	75,000	-	-	75,000
Total Capital Assets, Being Depreciated	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>75,000</u>
Less Accumulated Depreciation For:				
Buildings	(75,000)	-	-	(75,000)
Total Accumulated Depreciation	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**III. Detailed Notes on All Funds (continued)**

**D. Long-term Liabilities**

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

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

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

	<b>Business-type Activities</b>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	8,776	11,224	20,000
2020	9,127	10,873	20,000
2021	9,492	10,508	20,000
2022	9,871	10,129	20,000
2023	10,266	9,734	20,000
2024-2028	57,829	42,171	100,000
2029-2033	70,358	29,642	100,000
2034-2038	85,601	14,399	100,000
2039	19,293	707	20,000
	<u>280,613</u>	<u>139,387</u>	<u>420,000</u>

Long-term liability activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-type Activities</b>					
The Marble Water Company Obligation	289,051	-	(8,438)	280,613	8,776
<b>Total Long-term Liabilities</b>	<u>289,051</u>	<u>-</u>	<u>(8,438)</u>	<u>280,613</u>	<u>8,776</u>

Accrued interest payable of \$17,055 at December 31, 2018 includes unpaid interest from 2012 through 2017 of \$10,507.

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2018**  
**(Continued)**

**IV. Other Information**

**A. Risk Management**

The Town is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The Town is participant in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA operates as a common risk management and insurance program. As of December 31, 2018 there were more than 200 member municipalities including the Town, each having one vote. The Town pays an annual premium to CIRSA for its general insurance coverage and workers' compensation insurance coverage. The agreement for formation of CIRSA provides that CIRSA will be financed by member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. Due to CIRSA being a risk sharing pool, an unanticipated loss by one or more of the members of the pool could result in an unanticipated assessment against the Town and the loss of coverage.

**B. Colorado Stone Quarries Land Lease**

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

**C. Snow Removal Agreements**

In November, 2014, the Town entered into an agreement with Daly Property Service (the "Contractor") for snow removal services at an hourly rate of \$145. For the year ended December 31, 2018, the Town paid the Contractor \$13,470 for snow removal services.

On December 1, 2016, the Town entered into an agreement with Gunnison County (the "County") for snow removal services. The Town will pay the County for the diesel fuel used in the provision of the snow removal services. The agreement has been renewed and expires May 31, 2019. For the year ended, December 31, 2018, the Town paid \$994 to the County for snow removal services.



**REQUIRED SUPPLEMENTARY INFORMATION**

**Town of Marble, Colorado**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended December 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Final Budget Variance Positive (Negative)</b>
<b>Revenues:</b>				
Property tax	22,650	23,250	22,951	(299)
Intergovernmental:				
Sales tax	30,000	34,759	55,019	20,260
Highway users tax	11,000	12,834	13,458	624
Cigarette tax	-	150	182	32
Severance tax	10,000	2,470	2,470	-
Mineral lease revenue	6,000	2,412	2,412	-
Licenses and permits	6,800	3,100	1,862	(1,238)
Contributions and donations	500	3,000	4,167	1,167
Colorado Stone Quarry land lease	30,508	30,508	33,075	2,567
Campground rental	40,500	55,000	46,411	(8,589)
Other revenue	5,000	4,344	4,168	(176)
<b>Total Revenues</b>	<u>162,958</u>	<u>171,827</u>	<u>186,175</u>	<u>14,348</u>
<b>Expenditures:</b>				
Salaries and payroll expenses	35,600	48,376	54,704	(6,328)
Professional services	4,000	2,284	3,734	(1,450)
Office expense	3,500	5,200	5,644	(444)
Workshop/travel	1,000	375	375	-
Accounting and auditing	10,000	6,850	7,169	(319)
Legal expense - general	25,000	28,000	24,836	3,164
Legal publications	1,000	500	422	78
Elections	2,000	2,111	2,111	-
Street maintenance	50,000	36,931	30,460	6,471
Playground and park improvements	-	6,000	5,789	211
Civic engagement fund	5,000	1,500	1,500	-
Workers' compensation insurance	4,000	4,070	4,381	(311)
Utilities	1,500	3,088	3,782	(694)
Rent	600	600	600	-
Dues and fees	500	500	422	78
Marble Fest	8,500	11,406	11,656	(250)
Engineering	8,958	2,000	3,985	(1,985)
Campground	10,000	32,000	31,588	412
Water tap fee and well monitoring	-	5,000	5,000	-
Other expenses	1,300	3,000	4,780	(1,780)
<b>Total Expenditures</b>	<u>172,458</u>	<u>199,791</u>	<u>202,938</u>	<u>(3,147)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(9,500)	(27,964)	(16,763)	11,201
<b>Fund Balance - Beginning</b>	<u>305,496</u>	<u>336,079</u>	<u>336,079</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>295,996</u>	<u>308,115</u>	<u>319,316</u>	<u>11,201</u>

**Town of Marble, Colorado**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Conservation Trust Fund**  
**For the Year Ended December 31, 2018**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Final Budget Variance Positive (Negative)</b>
<b>Revenues:</b>			
State lottery revenue	1,500	1,367	(133)
<b>Total Revenues</b>	1,500	1,367	(133)
<b>Expenditures:</b>			
Park improvements	1,500	-	1,500
<b>Total Expenditures</b>	1,500	-	1,500
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	1,367	1,367
<b>Fund Balance - Beginning</b>	16,878	18,206	1,328
<b>Fund Balance - Ending</b>	16,878	19,573	2,695

**SUPPLEMENTARY INFORMATION**

**Town of Marble, Colorado**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**With Reconciliation to GAAP Basis**  
**Proprietary Fund Type - Water Fund**  
**For the Year Ended December 31, 2018**

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Final Budget Variance Positive (Negative)</b>
<b>Revenues:</b>			
Water fees	21,010	24,253	3,243
<b>Total Revenues</b>	21,010	24,253	3,243
<b>Expenditures:</b>			
Debt service	21,010	20,000	1,010
<b>Total Expenditures</b>	21,010	20,000	1,010
<b>Excess of Revenues Over Expenditures</b>	-	4,253	4,253
<b>Reconciliation to GAAP Basis:</b>			
Change in accrued interest		(1,731)	
Principal		8,438	
<b>Net Income</b>		10,960	