

**Town of Marble, Colorado**

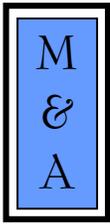
**Financial Statements**

**December 31, 2022**

**Town of Marble, Colorado  
Financial Statements  
December 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Town as of December 31, 2022 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

The Town has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined necessary to supplement the basic financial statements. Such 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, economical, or historical context. 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 basic financial statements as a whole.

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

***Supplementary Information***

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

The individual fund budgetary comparison found in Section E, 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.**  
**Avon, Colorado**  
**July 13, 2023**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Town of Marble, Colorado**  
**Statement of Net Position**  
**December 31, 2022**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	256,820	49,184	306,004
Investments	152,587	-	152,587
Accounts receivable	13,292	-	13,292
Due (to)/from other fund	2,656	(2,656)	-
Short-term lease receivable	23,782	-	23,782
Property tax receivable	27,805	-	27,805
<b>Total - Current assets</b>	<u>476,942</u>	<u>46,528</u>	<u>523,470</u>
<b>Non-current assets:</b>			
Long-term lease receivable	102,199	-	102,199
Non-depreciable capital assets	<u>382,120</u>	<u>-</u>	<u>382,120</u>
<b>Total - Non-current assets</b>	<u>484,319</u>	<u>-</u>	<u>484,319</u>
<b>Total Assets</b>	<u>961,261</u>	<u>46,528</u>	<u>1,007,789</u>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	866	-	866
Sales tax payable	3,392	-	3,392
Accrued interest payable	-	5,680	5,680
Refundable deposits	3,199	-	3,199
Loan payable - current portion	<u>-</u>	<u>10,266</u>	<u>10,266</u>
<b>Total - Current liabilities</b>	<u>7,457</u>	<u>15,946</u>	<u>23,403</u>
<b>Non-current liabilities:</b>			
Loan payable - non-current portion	<u>-</u>	<u>233,082</u>	<u>233,082</u>
<b>Total - Non-current liabilities</b>	<u>-</u>	<u>233,082</u>	<u>233,082</u>
<b>Total Liabilities</b>	<u>7,457</u>	<u>249,028</u>	<u>256,485</u>
<b>Deferred Inflow of Resources:</b>			
Unavailable property tax revenue	27,805	-	27,805
Lease revenue	<u>125,981</u>	<u>-</u>	<u>125,981</u>
<b>Total Deferred Inflow of Resources</b>	<u>153,786</u>	<u>-</u>	<u>153,786</u>
<b>Net Position:</b>			
Net investment in capital assets	382,120	-	382,120
Restricted for federal grant expenditures	16,840	-	16,840
Restricted for emergencies	14,147	-	14,147
Unrestricted	<u>386,911</u>	<u>(202,500)</u>	<u>184,411</u>
<b>Total Net Position</b>	<u>800,018</u>	<u>(202,500)</u>	<u>597,518</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, 2022**

	<b>General</b>	<b>Conservation Trust</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Equity in pooled cash	284,907	(28,087)	256,820
Investments	152,587	-	152,587
Accounts receivable	13,292	-	13,292
Due (to)/from other fund	2,656	-	2,656
Lease receivable	125,981	-	125,981
Property tax receivable	27,805	-	27,805
<b>Total Assets</b>	<b>607,228</b>	<b>(28,087)</b>	<b>579,141</b>
<b>Liabilities:</b>			
Accounts payable	866	-	866
Sales tax payable	3,392	-	3,392
Refundable deposits	3,199	-	3,199
<b>Total Liabilities</b>	<b>7,457</b>	<b>-</b>	<b>7,457</b>
<b>Deferred Inflow of Resources:</b>			
Unavailable property tax revenue	27,805	-	27,805
Lease revenue	125,981	-	125,981
<b>Total Deferred Inflow of Resources</b>	<b>153,786</b>	<b>-</b>	<b>153,786</b>
<b>Fund Balances:</b>			
Restricted for emergencies	14,147	-	14,147
Restricted for federal grant expenditures	16,840	-	16,840
Unassigned	414,998	(28,087)	386,911
<b>Total Fund Balances</b>	<b>445,985</b>	<b>(28,087)</b>	<b>417,898</b>
<b>Total Deferred Inflow of Resources Liabilities, and Fund Balances</b>	<b>607,228</b>	<b>(28,087)</b>	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	382,120
<b>Net Position of Governmental Activities</b>	<b>800,018</b>

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, 2022**

	<b>General</b>	<b>Conservation Trust</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
Property tax	31,108	-	31,108
Intergovernmental:			
Sales tax	173,305	-	173,305
Highway users tax	11,256	-	11,256
Lottery revenue	-	393	393
Cigarette tax	244	-	244
Severance tax	6,560	-	6,560
Mineral lease revenue	2,305	-	2,305
Grants	131,681	-	131,681
Licenses and permits	8,502	-	8,502
Contributions and donations	4,000	-	4,000
Colorado Stone Quarry lease revenue	22,930	-	22,930
Campground rental	40,026	-	40,026
Interest income	7,666	-	7,666
Other revenue	35,603	-	35,603
	<u>475,186</u>	<u>393</u>	<u>475,579</u>
<b>Total Revenues</b>			
<b>Expenditures:</b>			
General government	316,726	-	316,726
Public works	68,702	34,102	102,804
	<u>385,428</u>	<u>34,102</u>	<u>419,530</u>
<b>Total Expenditures</b>			
<b>Excess of Revenues Over Expenditures</b>	89,758	(33,709)	56,049
<b>Fund Balances - Beginning</b>	<u>356,227</u>	<u>5,622</u>	<u>361,849</u>
<b>Fund Balances (Deficit) - Ending</b>	<u><u>445,985</u></u>	<u><u>(28,087)</u></u>	<u><u>417,898</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, 2022**

<b>Assets:</b>	
Equity in pooled cash	49,184
Due (to)/from general fund	<u>(2,656)</u>
<b>Total Assets</b>	<u>46,528</u>
<b>Liabilities:</b>	
<b>Current liabilities:</b>	
Accrued interest payable	5,680
Loan payable - current portion	<u>10,266</u>
<b>Total - Current liabilities</b>	<u>15,946</u>
<b>Non-current liabilities:</b>	
Loan payable - non-current portion	<u>233,082</u>
<b>Total - Non-current liabilities</b>	<u>233,082</u>
<b>Total Liabilities</b>	<u>249,028</u>
<b>Net Position:</b>	
Unrestricted	<u>(202,500)</u>
<b>Total Net Position</b>	<u><u>(202,500)</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, 2022**

<b>Operating Revenues:</b>	
Water fees	23,844
<b>Total Operating Revenues</b>	<u>23,844</u>
<b>Operating Expenses:</b>	
Administration	-
<b>Total Operating Expenses</b>	<u>-</u>
<b>Operating Income</b>	23,844
<b>Non-operating Revenues (Expenses):</b>	
Interest income	5
Interest expense	(9,904)
<b>Total Non-operating Revenues (Expenses)</b>	<u>(9,899)</u>
<b>Net income</b>	13,945
<b>Net Position - Beginning</b>	<u>(216,445)</u>
<b>Net Position - Ending</b>	<u><u>(202,500)</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, 2022**

<b>Cash Flows From Operating Activities:</b>	
Cash received from customers and others	23,844
<b>Net Cash Provided by Operating Activities</b>	<b>23,844</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Principal paid	(9,871)
Interest paid	(10,129)
Interest income	5
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(19,995)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	3,849
<b>Cash and Cash Equivalents - Beginning of Year</b>	45,335
<b>Cash and Cash Equivalents - End of Year</b>	49,184
<b>Reconciliation of Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:</b>	
Income (loss) from operations	23,844
<b>Adjustments to reconcile:</b>	
(Decrease) increase in due to/from other funds	-
<b>Net Cash Provided by Operating Activities</b>	<b>23,844</b>

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, 2022**

**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, 2022**  
**(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 fund:

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, 2022**  
**(Continued)**

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

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

**3. Financial Statement Presentation**

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

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

**E. Financial Statement Accounts**

**1. Cash and Cash Equivalents**

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

**2. Accounts Receivable and Leases Receivable**

Receivables are reported net of an allowance for uncollectible accounts. Lease receivables are reported in accordance with *GASB Statement No. 87, Leases*. Under this standard, the Town is required to recognize a lease receivable as a deferred inflow of resources. The Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. No allowance is recorded at December 31, 2022, as all amounts 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.

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(Continued)**

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

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

**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.

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 assets 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, 2022.

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 assets 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 two items that qualify for reporting in this category: unavailable revenues from property taxes and leases. Accordingly, these items are 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.

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(Continued)**

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

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

**7. Fund Balances (continued)**

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.

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.

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(Continued)**

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

**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.

**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 2022.

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, 2022, the Conservation Trust fund exceeded appropriations by \$33,709, which may be a violation of State Statute.

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(Continued)**

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

**B. TABOR Amendment**

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

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The Town has reserved \$14,147, which is the approximate required reserve at December 31, 2022.

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.

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(Continued)**

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

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

**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.

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, 2022, the Town had cash and savings deposits of \$306,004, and the following investments with recurring fair value measurements:

<u>Investments Measured at</u> <u>Amortized Cost</u>	<u>Total</u>
C-Safe	<u>152,587</u>
<b>Total</b>	<u><u>152,587</u></u>

**B. Receivables**

Receivables as of year-end for the Town's funds consist of property taxes receivable in the amount of \$27,805, \$13,292 of accounts receivable, and \$2,656 due from the water fund.

Governmental funds report *deferred inflow of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The \$27,805 of deferred inflow of resources is property taxes levied in 2022 but not available until 2023. In addition, the Town reports \$125,981 for a lease receivable

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, at which point the Town or Colorado Stone may provide written notice of termination. For the year ending December 31, 2022, the Town received payments of \$28,001, which included interest of \$5,071.

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(Continued)**

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

**B. Receivables (continued)**

Minimum lease payments are as follows:

	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	23,782	4,168	27,950
2024	24,658	3,293	27,951
2025	25,565	2,386	27,951
2026	26,506	1,445	27,951
2027	25,470	468	25,938
	125,981	11,760	137,741

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2022 was as follows:

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

**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.

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(Continued)**

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

**C. Receivables (continued)**

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

	<b>Business-type Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	10,266	9,734	20,000
2024	10,677	9,323	20,000
2025	11,104	8,896	20,000
2026	11,548	8,452	20,000
2027	12,010	7,990	20,000
2028 - 2032	67,651	32,349	100,000
2033 - 2036	82,308	17,692	100,000
2037 - 2039	37,784	19,360	57,144
	243,348	113,796	357,144

**D. Long-term Liabilities**

Long-term liability activity for the year ended December 31, 2022 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Business-type Activities</b>					
The Marble Water Company Obligation	253,219	-	(9,871)	243,348	10,266
<b>Total Long-term Liabilities</b>	253,219	-	(9,871)	243,348	10,266

At December 31, 2022, the Town owed \$5,680 in accrued interest payable.

**IV. Other Information**

**A. Risk Management**

The Town is exposed to various risks of loss related to workers compensation, general liability, unemployment, torts, theft of, damage to, and destruction of assets, and errors and omissions. The Town is participant in the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA operates as a common risk management and insurance program. As of December 31, 2022 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.

**Town of Marble, Colorado**  
**Notes to the Financial Statements**  
**December 31, 2022**  
**(Continued)**

**IV. Other Information (continued)**

**D. 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, 2022, the Town paid the Contractor \$25,887 for snow removal services.

**E. Deficit Net Position**

The Town has deficit fund balances at December 31, 2022 in the Conservation Trust and Water Funds in the amount of \$28,087 and \$202,500, respectively.

**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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Final Budget Variance Positive (Negative)</b>
<b>Revenues:</b>				
Property tax	30,290	30,290	31,108	818
Intergovernmental:				
Sales tax	140,000	140,000	173,305	33,305
Highway users tax	10,000	10,000	11,256	1,256
Cigarette tax	200	200	244	44
Severance tax	100	100	6,560	6,460
Mineral lease revenue	500	500	2,305	1,805
Grants	26,840	124,840	131,681	6,841
Licenses and permits	9,500	9,500	8,502	(998)
Contributions and donations	2,000	2,000	4,000	2,000
Colorado Stone Quarry lease revenue	30,000	30,000	22,930	(7,070)
Campground rental	40,000	40,000	40,026	26
Interest income	500	500	7,666	7,166
Other revenue	32,400	32,400	35,603	3,203
<b>Total Revenues</b>	<u>322,330</u>	<u>420,330</u>	<u>475,186</u>	<u>54,856</u>
<b>Expenditures:</b>				
Salaries and payroll expenses	108,000	108,000	103,324	4,676
Professional services	2,200	2,200	3,840	(1,640)
Office expense	10,000	10,000	19,414	(9,414)
Workshop/travel	2,000	2,000	1,517	483
Accounting and auditing	9,500	9,500	9,400	100
Legal	27,500	27,500	11,808	15,692
Elections	4,000	4,000	1,686	2,314
Maintenance - Street and building	55,000	55,000	37,522	17,478
Playground and park improvements	1,000	1,000	32	968
Civic engagement fund	1,500	1,500	100	1,400
Workers' compensation insurance	6,500	6,500	5,338	1,162
Utilities	4,500	4,500	2,988	1,512
Rent	600	600	100	500
Dues and fees	500	500	577	(77)
Marble Fest	24,000	24,000	29,108	(5,108)
Engineering	3,500	3,500	2,378	1,122
Campground	25,000	25,000	31,048	(6,048)
Grant expenditures	26,840	121,840	111,840	10,000
Other expenses	12,000	12,000	13,408	(1,408)
<b>Total Expenditures</b>	<u>324,140</u>	<u>419,140</u>	<u>385,428</u>	<u>33,712</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,810)	1,190	89,758	88,568
<b>Other Financing Sources (Uses):</b>				
Transfers in (out)	(3,000)	(3,000)	-	3,000
<b>Total Other Financing Sources (Uses)</b>	<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>	<u>3,000</u>
<b>Net Change in Fund Balance</b>	(4,810)	(1,810)	89,758	91,568
<b>Fund Balance - Beginning</b>	<u>342,471</u>	<u>342,471</u>	<u>356,227</u>	<u>13,756</u>
<b>Fund Balance - Ending</b>	<u>337,661</u>	<u>340,661</u>	<u>445,985</u>	<u>105,324</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, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
<b>Revenues:</b>			
State lottery revenue	1,500	393	(1,107)
<b>Total Revenues</b>	<u>1,500</u>	<u>393</u>	<u>(1,107)</u>
<b>Expenditures:</b>			
Park improvements	2,000	-	2,000
Park maintenance	5,000	34,102	(29,102)
<b>Total Expenditures</b>	<u>7,000</u>	<u>34,102</u>	<u>(27,102)</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(5,500)	(33,709)	(28,209)
<b>Other Financing Sources (Uses):</b>			
Transfers in	3,000	-	(3,000)
<b>Total Other Financing Sources (Uses)</b>	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
<b>Net Change in Fund Balance</b>	(2,500)	(33,709)	(31,209)
<b>Fund Balance - Beginning</b>	<u>10,305</u>	<u>5,622</u>	<u>(4,683)</u>
<b>Fund Balance (Deficit) - Ending</b>	<u><u>7,805</u></u>	<u><u>(28,087)</u></u>	<u><u>(35,892)</u></u>

**SUPPLEMENTARY INFORMATION**

**Town of Marble, Colorado**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**With Reconciliation to GAAP Basis**  
**Proprietary Fund Type - Water Fund**  
**For the Year Ended December 31, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Final Budget Variance Positive (Negative)</u>
<b>Revenues:</b>			
Water fees	20,000	23,844	3,844
Interest	-	5	5
<b>Total Revenues</b>	<u>20,000</u>	<u>23,849</u>	<u>3,849</u>
<b>Expenses:</b>			
Debt service	<u>20,000</u>	<u>20,000</u>	-
<b>Total Expenses</b>	<u>21,000</u>	<u>20,000</u>	<u>1,000</u>
<b>Change in Net Position - Budget Basis</b>	<u>(1,000)</u>	3,849	<u>4,849</u>
<b>Reconciliation to GAAP Basis:</b>			
Change in accrued interest		225	
Principal		<u>9,871</u>	
<b>Change in Net Position - GAAP Basis</b>		13,945	-
<b>Net Position (Deficit) - Beginning</b>		<u>(216,445)</u>	
<b>Net Position (Deficit) - Ending</b>		<u>(202,500)</u>	